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SOCIAL JUSTICE

Father Coughlin's Weekly Review

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COURT PACKING PLOT STRIKES SLOW GOING

Private Tip For Bankers Only

Books Carry Bonds at Par; Public Loser

By the Financial Editor of SOCIAL JUSTICE

Word is being privately passed along that banks should understand the following:

"Examiners will permit government bonds to be carried at the price paid for them, if bought at premium; and **to carry them at par if originally purchased at less than par.**

"Washington would like it to be understood that there will be no change of policy as to this rediscounting of Governments at par."

Is plain English plain?

Do you understand that "we, the people" who hold United States government bonds must take our losses like good Americans, but that bankers are to carry government bonds on their books at par.

The Whaley-Eaton Service, the standard Washington authority, in its weekly financial letter for clients only, adds this encouragement:

"It is not likely that government bonds will remain below par so long as they are rediscountable at par—a bank could borrow the full face value, though having bought at, say, 96, and, since the yield would be higher than the rediscount rate, actually be making a profit."

The administration is watching the Patman bill more closely than is generally believed, the bankers are told.

This is another big financial story for which you will look in vain in your daily newspapers.

"Perhaps it is just as well that the people do not understand what is happening to our money. If they did there would be a revolution!"

Scandals of New Deal to Make Harding Piker

When the history of the New Deal will have been written the scandalous Harding administration will shrink to a microscopic size in the matter of graft.

The late President Harding himself was no grafter. He was simply incompetent.

President Roosevelt is no grafter. He has out-Hardinged Harding in permitting the maladministration of finance. His soothing words have oiled the highways for modern Jesse Jamses.

Someday the van Sweringen railroad story will be told **in connection with a million dollar deal offered to a prominent New Dealer!**

Some day the Republic Steel story will be outlined **in association with the name of another lofty New Dealer.**

Who has thought to investigate the sudden rise in the stock market for Paramount pictures or who has endeavored to scrutinize the millions of dollars resulting therefrom **which fell into the hands of an ex-New Dealer?**

Again, many financial houses in this nation have golden threads leading from their vaults **into the office of a Washington brain truster.**

It is a long road that has no turning.

All this may account in some measure for the fact that men of such lofty intelligence as Jesse Jones, Homer Cummings and Joseph Kennedy still cling to the leaking ship of the New Deal—even when orders have been given to Congress to "man the pumps" with new taxation.

Bank of England Keeps List of Stockholders Closely Guarded Secret

By Special Correspondent of SOCIAL JUSTICE

LONDON, ENGLAND. — The Bank of England, commonly believed to be the most disinterested and patriotic of the nation's institutions, has been since its foundation during the reign of William of Orange, a private and long-sustained effort in lucrative mumbo-jumbo, and in these days under international control, is serving foreign nations better on occasion than it serves England.

A disclosure of who some of the leading directors of the Bank of England are, and the international interests which they represent, will be found on pages 8 and 9 of SOCIAL JUSTICE today.

Research affecting the Bank of England is not simple. The

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Behind the Washington News Front

From the Capital Staff of SOCIAL JUSTICE

John L. Lewis paid a visit to three Senators last week. Although Lewis is rather radical, he has not been fooled by Mr. Roosevelt. He said to the three Senators: **"Mr. Roosevelt is totally incompetent. More than that, he writes his words on ice and cannot be trusted. He is not fooling me at all. He happens to be in power and that is the only reason in the world that I am playing with him."**

* * *

A group of sane ex-New Deal Senators passed out the observation that Mr. Roosevelt, together with Mr. Lewis, have done more to stymie the labor movement in America than all the Communists, the Socialists and radicals combined could have affected. In their opinion the swing will be to conservatism immediately following the purging of Washington. Then real constitutional liberalism must begin all over because there can be no sound liberalism outside the Constitution.

* * *

No one in Washington is more agitated and upset than Mr. Roosevelt over the financial muddle into which he has steered the ship of state. He has now jockeyed us into the position where the value of government bonds is being questioned and where, through the purchase of billions of dollars of gold from Europe **we have already made prepayment to England and France and Russia for the conduct of the next war.** Good American dollars at the rate of 35 for every ounce of gold have been shuttled to Europe. Now that Europe had rid itself of the yellow metal, its nations will repudiate gold altogether and leave us holding the bag.

Senate Hints of 'Defiance' Irk Executive

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C. — Always angered by anyone who disagrees with his views, President Roosevelt is reported to be in a high state of dudgeon over the continuing strong opposition to his court plan among members of the Senate judiciary committee.

Hopes for speedy Congressional action on the court proposals appear to have gone a-glimmering, despite predictions by administration spokesmen that debate on the house and senate floors would "get under way this week."

James Aloysius Farley's latest flight into clairvoyance has offended many New Deal Congressmen. Jim, you remember, predicted a favorable House and Senate vote on the court plan was a foregone conclusion. The Congressmen don't like the idea of Jim telling the home folks that their representative will vote as he directs.

SOCIAL JUSTICE has learned from a source within the judiciary committee, now conducting hearings on the proposed legislation, that a favorable report on the pack plan is likely to be delayed until late in May.

Fight Will Be Close and Bitter

A close and bitter committee fight over moves to report the bill is certain to develop unless certain committeemen, now vigorously opposed to "rubber stamping" the high court, are induced to compromise their principles.

The president is deeply incensed at the inability of administration "pressure" men to do something about the situation. So far, his missionaries have failed to muster anything approximating a clear majority among the 18

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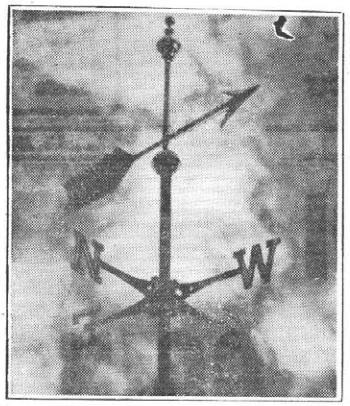

THE INDICATOR

By Father Coughlin

WASHINGTON is in the dumps. There is less enthusiasm and less work evident in the Capital during this session of Congress than at any time within the memory of this generation. Dozens of Congressmen congregate in the cloakrooms bemoaning the fact that in a moment of frenzy they handed over to the president the spending power. Day after day these same Congressmen convene to pass private bills and to engage in empty discussions on the floor of both the House and the Senate. This Congress is notorious for having passed less beneficial legislation than the 20 congresses which have preceded it. The sit down strike is ravishing Washington with a vengeacnce.

* * *

Seven years ago a similar situation was happening in Italy. The Italian parliament had generated into a "yes men's" club. No one was surprised when they voted themselves out of existence. Is there an affinity between Mussolini and "must" legislation? Time alone will tell.

However, if memory serves me correctly, newspaper editors in America are always prone to applaud when Congressmen go home to their hay stacks and law offices.

* * *

Conservatism had so warped the minds of the hitherto powerful Republicans that they wished things to remain "as is." For that reason the conservative Republicans would have been in their seventh heaven had they possessed a Congress similar to the one which we have today. It all depends whose ox is being gored or whose team is winning when it comes time to applaud the "do-nothing" policy.

* * *

The 23-million dolesters in America do not want anybody to rock the boat. They want things to continue "as is," just the same as the bankers and industrialists wanted things "as were" 15 years ago.

* * *

Problem: John Smith receives $25 a week from his income. John spends $35 every week. How long can John's credit last?

Application: Mr. Roosevelt is spending more than he receives. Prosperity, as far as the banker and industrialist are concerned, is here with a vengeance. How long can Mr. Roosevelt escape the inevitable result which is "just around the corner" since he spends more than he receives?

* * *

The idea is catching hold in America that at least one-quarter of our citizens should live off the government. This idea will soon grow until one-half the population will expect federal relief funds. Soon we will be forced to answer the question: "Who will support the government?"

One of the first principles of political economy teaches us that all citizens should support the government financially. It is unsound to say that the government should support the people. The Socialists are inclined, however, to believe that this unsoundness is very sound.

* * *

MORE than two months ago SOCIAL JUSTICE printed a story to the effect that the C. I. O. sit down strikers were more interested in gaining control of factories than they were in obtaining higher wages. Now John L. Lewis admits that the C. I. O. is out to capture the closed shops of the mass production industries. He even boasts that his organization will surpass in membership of the A. F. of L. within two months. This means 3-million factory workers, coal miners and textile laborers will keep pushing ahead until they gain dictatorship over the policies of all industries.

John L. Lewis is a mighty believer in corporations. He is no Don Quixote fighting at wind-mills. He likes to fight a tangible, a visible and a concrete corporate entity. However, he himself wishes to be a wind mill since he has asserted that he will oppose to the last ditch any effort on the part of Congress to force the C. I. O. to incorporate.

* * *

With his mind made up to fight any effort to incorporate the C. I. O., John L. Lewis proposes to take everything the Wagner Act has to offer and to return as little as possible. John Lewis does not subscribe to the "quid-pro-quo" method of doing business. He is a uni-lateralist which means that the entire world must bow before him. It also means that the word "right" has no corresponding duty attached to it; that bargains are only one-sided arguments; that he can have his cake and eat it.

A bargain that is a valid bargain must exist between two parties. Industry is the one party and, in the case of the C. I. O., John Lewis is the other. This analysis is unassailable. It pins the badge of dictatorship upon the heaving bosom of John L. Lewis. Moreover, bargains must be free bargains. By no stretch of the imagination can they be hold-ups.

* * *

SOCIAL JUSTICE advocates the unionization of labor. However, it will never subscribe to the fallacy that labor should become a dictator any more than it would uphold the theory that industry is the sole boss. Moreover, common ethics insist that wherever there is a right there is a corresponding duty.

* * *

MR. ROOSEVELT has now put aside his program for recovery, so the "Christian Science Monitor" asserts. This intelligently conducted journal informs us that Mr. Roosevelt has gone over to the side of reform. It draws its conclusion from the fact that the president announced that more money would be spent on men and less on materials in the public works program.

The spending of money, to our mind, is no indication of reform. Any crackpot can spend other people's money. **The real reform required in this nation is related to what kind of money is used.** Mr. Roosevelt is about to borrow another $1,500,0000,000 from the Federal Reserve bankers (fountain pen money) and bargain with them that the American people will pay it back in "sweat-of-the-brow" money. That is not reform. It is the same old game of four strikes and three balls when the bankers are at bat and three strikes and four balls when it is the people's turn. Real reform will appear on the horizon when Congress becomes constitutional and begins to issue and regulate money for the American people. There is no recovery without reform and there is no reform until the American people stop paying the Federal Reserve bankers billions of dollars because they happen to be honor graduates in the school of penmanship.

* * *

The Federal Reserve bankers are about to demand that all their affiliate banks will "kick-in" more reserve money. With knowledge of this, the affiliate banks all over the nation have been dumping their United States government bonds at par and below par to secure enough money to "kick into" the Federal Reserve Banks when the call to arms is sounded. Let that fact be well digested and let it be plain that in this tragic instance the Federal Reservists are again regulating the purchasing power of your dollar.

* * *

Is it worth while to pass these thoughts on to your neighbor who does not subscribe to SOCIAL JUSTICE and —would it be worth while to invite your neighbor to become a regular reader?

4,000 Detroit Orders for Last Week's Paper Could Not Be Filled

$35-Billion Bonds Dodge Taxation As U. S. Seeks Revenue Source

Eileen Wins Car for Popularity

Not only is 15-year-old Eileen Norcross of Providence, Rhode Island, the star salesgirl of SOCIAL JUSTICE circulation force, and one of three national winners in our recent bicycle contest, but the energetic young lady has just been awarded first place in a popularity contest conducted by a large Providence food market. The honor carried with it the 1937 Plymouth sedan beside which Eileen is here shown.

In order to thank the thousands of SOCIAL JUSTICE fans in Providence, and to be an inspiration for other boys and girls of the nation, Eileen was a guest of the Children's Hour at the Shrine of the Little Flower in Royal Oak, on Sunday, April 25.

In a recent letter to SOCIAL JUSTICE Eileen said: "When I ordered my first 25 copies of SOCIAL JUSTICE in May of 1936, I went to Wilson's Chief Market, the largest food store in Rhode Island, to sell them. Nobody in the store ever objected to my selling SOCIAL JUSTICE there. In December when Wilson's announced a contest for the most popular girl in Rhode Island, sales receipts were used as ballots. My friends and customers began to vote for me. If it hadn't been for them being so faithful and generous from the beginning to the end I would never have won. Both my parents and I thank every one of them for their kind-hearted spirit."

Eileen sells between 600 and 800 copies of SOCIAL JUSTICE each week.

Questions and Answers

Can't Get Suit Into Supreme Court

What has become of the suit which Father Coughlin prepared to present as a test case to prove the unconstitutionality of the Federal Reserve Act of 1913?

Answer: We have prepared our matter but we cannot get it into court. It seems that in framing the Federal Reserve Banking Act of 1913 and its subsequent amendments it was provided that only the Attorney General of a state can bring the case into court.

Has there ever been a similar suit brought to trial by an individual or a group of individuals?

Not before the Supreme Court.

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New Deal Takes Credit for Spending: Blames Congressmen for Cuts

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—The big story on the congressional newsfront at this time is the stir created by the president's budget proposals in his recent relief message.

Outshadowing for the moment even the bitter conflict over court reform, the Roosevelt message has resulted in several rapid-fire repercussions, including:

A hot undercurrent of bitterness and discontent within both Democratic and Republican ranks against what many Congressmen are interpreting as a sly move by the president to make others take the "rap" for his debt-mounting failures.

Increased agitation for honest money legislation as the inevitable solution to our economic problems.

A challenge that the president send another message to Congress setting forth a method for the collection of revenues essential to maintain the government

Re-committal of honest money Senators and Representatives to the demand that government bonds—the tax-free base against which private bankers issue our money—be taxed as an added source of revenue.

Congress Resents Buck Passing Move

The president's relief message importuned Congress to balance the budget for the coming fiscal year, beginning July 1, 1937, by slicing appropriations.

"I am convinced," stated Mr. Roosevelt, "that the success of our whole program and the permanent security of our people demands that we adjust all expenditures within the limits of my budget estimate."

No sooner had the message been read when imprecations began to fly in the cloakrooms of Congress.

Even loyal New Dealers were heard to remark that the president has taken all the glory for the temporary benefits of the 1933-1937 spending orgy, but that now, when it is time to put the government's books in order, he wants Congress to shoulder the responsibility for past and future debts.

On the whole, members of both houses are ready and anxious to economize, but they resent the attempt of the president to "pass the buck" when the glory ends and the reckoning begins.

Honest Money Forces Co-operate

The gloomy aspect of the relief message has served to give added impetus to the minority drive both to do away with tax-exempt bonds and to restore to Congress its lawful control over money and credit.

Paced by Representatives Patman, Binderup and Gray in the house, and by Senator Elmer Thomas in the upper chamber, honest money blocs are working in close harmony to draft a mutually agreeable money bill that can be brought to a vote at this session.

Patman and Thomas already have introduced separate measures calling for an abandonment of private control of the monetary system. Owing to certain variations that are apt to cause confusion, the two bills are expected to be supplemented by still another containing mutually satisfactory provisions.

It was Senator J. Hamilton Lewis who reminded the administration of its failure to see government bonds as a taxable source in its search for legitimate means of revenue.

After urging increased levies on large individual incomes,

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There Is One Way to Be Sure →

SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

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PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

More Treason

LAST week we called attention to the direct charge by a widely publicized newspaper columnist that the executive department of the federal government is using the spending power over the people's money to bludgeon Senators and Representatives into voting for a "fixed" Supreme Court—against their consciences and their oath of office.

Today, in the hope of arousing the indignation of a cheated people to the point of action, we quote a charge made publicly before the convention of the American Newspaper Publishers Association by Senator Bennett Champ Clark of Missouri, a member of the president's own political party.

The Senator said: "Another current development is only less ominous in its implications than the main proposal to pack the Supreme Court and thus overturn the system of separation of powers by changing the Constitution by indirection.

"It is the apparent effort of certain administrative officials of the government, controlling huge payrolls out of funds appropriated by Congress, who should be the servants of the government, to become its masters."

The Senator accused Robert Fechner, director of the C. C. C., with other "chief government spenders and handlers of relief activities," of attempting "to organize millions of honest and patriotic American citizens on relief, or holding emergency jobs, under fear of losing their jobs or relief through official favor, into an effort to **dragoon an unwilling Congress** into enacting fundamental changes in our form of government."

With this charge of an honorable Senator, who is also a Democrat, we have a completed picture of governmental corruption at its very worst.

Senators and Representatives need patronage to survive politically; relief workers need jobs to survive economically. The executive department has control of the expenditure of billions of dollars of the people's money.

If the charges of Paul Mallon and Senator Clark are true, the people have been voting and paying their way into bureaucratic tyranny.

Investigate -- Then Vote

THE head of the executive department of the government, the president—the man who, without consulting the recognized leaders of his party, decided he wanted to control the Supreme Court—is responsible for the conduct of administrative officers.

If a newspaper correspondent and a Senator from Missouri know what his subordinates are doing, the president, as a responsible executive, should know even better what is going on within his official family.

Are we to conclude that he is winking at the sort of coercion and bribery that these two men have publicly charged?

The only way this question can be cleared up for people who really want honesty in government and who really want their hard-earned tax dollars spent as sparingly as possible and **for the good of the people,** is by a thorough-going and wide-open Congressional investigation of these charges.

Congress is an independent body, made so by the Constitution itself. Members of Congress **have not only the right but the duty to be a free and independent body** —free from executive coercion on the one hand and free from bribed public pressure on the other hand.

The charges of out-and-out crookedness, until they are completely aired, will cast a cloud of doubt over any vote that may be taken on the court issue.

Congress should investigate this thing—strike off the golden shackles from the members of Congress—and only then vote on the president's demand for **power over the independent judiciary.**

Rattling the Skeletons

THESE charges, so openly and boldly made, cause other New Deal skeletons to rattle their bones out of the past.

What of the defeat of the McCarran Amendment?

What of the hyper-activity of the W. P. A. during the months just before the last election?

The McCarran Amendment, it will be recalled, was attached to the $4-billion relief appropriation bill and would have forced the executive to see that every relief worker received at least the rate of wages prevailing in his community.

The amendment was backed by organized labor and many other organizations. It was defeated by a narrow margin and only after the defection of such great friends of labor as Senator Wagner and Senator LaFollette.

Whisperers, at the time, said that the president was opposed to the McCarran Amendment because, under its provisions, the relief money could not be spread to as many voters as would be possible if the rate of pay was left to the discretion of the administration.

The fact is that the relief workers were paid far below the prevailing wage. The Mallon-Clark charges raise the question whether the whisperers were not right, after all.

Millions of Americans were puzzled, during the months before the election, trying to find their way home through streets torn up and plastered with red, white and blue W. P. A. signs.

Those same Americans were even more bewildered, immediately following November 3, to see these same streets abandoned, as if by magic, by the pick-and-shovel wielders and denuded of the sign of the W. P. A.

The Mellon-Clark charges lead the sincere American to ask himself:

"Was the W. P. A. a campaign machine, and was the 'great mandate' BOUGHT with the people's money?"

EYES and EARS

By Mark Meechan

PRESIDENT Roosevelt has blundered into so many self-contradictions since he thoughtlessly launched his undemocratic onslaught on the independence of the Supreme Court that the discovery of a new contradiction would ordinarily seem commonplace.

There is one last and monumental contradiction, however, which deserves the meditative interest of the American people.

President Roosevelt and his satellites have brutally berated the Supreme Court for its "indefensible" 5 to 4 decisions. Such decisions, they have told the people, as well as the 6 to 3 decisions which scuttled the pig-murdering, wheat-burning, potato-dumping AAA, have no place in this country—in this period of crisis—in the face of the impending Roosevelt depression of which the president has already forewarned us.

The president complains that he can have no assurance that the Supreme Court is really "with" him, since they are with him only 5 to 4.

The president, like ordinary people, evidently has a dangerously short memory. He has forgotten in a few weeks that he had a mere 6 to 4 majority of the popular vote!

If it is contrary to the long-cherished principles of our republic that laws be declared unconstitutional by the 5 to 4 majority decision of a tribunal of trained minds, who know what they are doing, perhaps it is valid to conclude that it is only slightly more democratic (in the good meaning of the term) that a president be elected by a mere 6 to 4 majority of the voters—millions of whom have only a scrambled idea of what they are doing.

If Mr. Roosevelt presses this 5 to 4 complaint against the Supreme Court to the point where the people actually begin to think about it, he is in grave danger of forcing them to realize how really little the great November mandate meant, means, or can mean.

* * *

The president would eliminate the danger of making himself absurd by talking too much, if he would hold a fireside chat and tell the folks what he, truthfully, has on his mind.

It would be better for all concerned if he would go on the radio and mellifluously tell the people that HE WANTS TO RUN THE COUNTRY WITHOUT ANY OUTSIDE INTERFERENCE.

If the president is sincere in his belief that the people are behind him, as he claims they are, even on this Court

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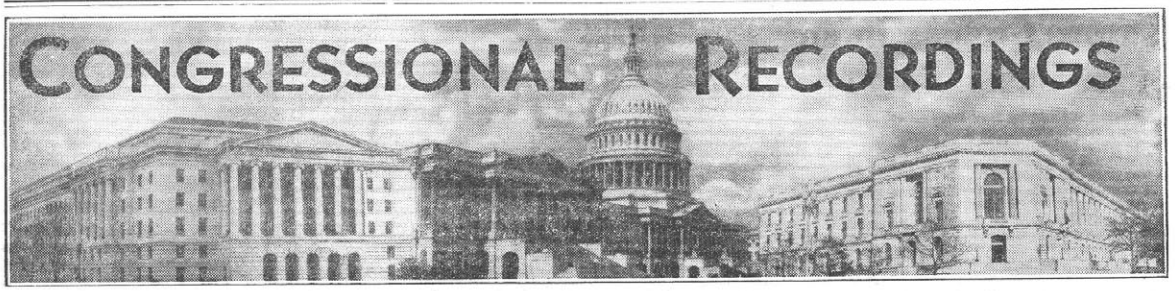


Tax Receipts Lag $600-Million Behind Government Expenditures

U. S. in Eighth Year Of Operation on Borrowed Money; 19-Billion Added To Debt

By Hon. Clarence Cannon
Representative from Missouri

For seven years the government has been operating on borrowed money. **We are now entering on the eighth year in which the national expenditures have exceeded the national income.** Nineteen billion dollars have been added to the national debt and it is still increasing.

As far back as 1933 fiscal reports indicated an approach to a balanced budget and we were told that if a way could be found to add $120-million to $135-million to the revenues, the budget would be balanced in 1934.

At the opening of the present session of Congress we were cheered by the announcement that a balanced budget was already in sight and that a balanced budget would be reached in 1939. When the recent December loan was floated we were assured that it was the last of the "new money" loans and that future borrowing would be limited to short-term bills as required by current balances, but newspapers now carry the statement that these weekly bills must be continued and another loan is scheduled for September.

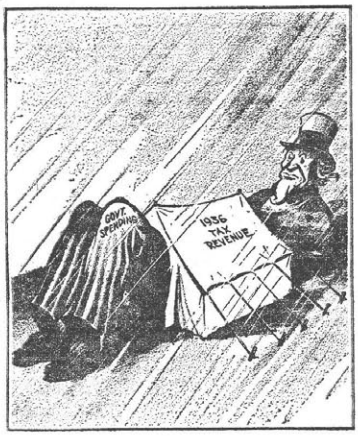
In the meantime we have been setting an all-time record for peacetime spending.

During the month of January disbursements reported by the Secretary of the Treasury approximated $635-million as contrasted with about $372,500,000 the preceeding January.

At the same time expected revenues have failed to materialize. Notwithstanding increases in revenue at the rate of nearly $56-million for the month of January **the deficit exceeds that of the previous January by something like $120-million.**

Early in the year tax receipts were reported to be $150-million under the published estimates. A little later they were said to be falling short by about $300-million. In March they were falling $400-million below. And now we are told they are close to $600-million short of the amount promised by Treasury experts, with every prospect of increasing discrepancies. The enactment of legislation now pending in the House and its committees could easily precipitate a total deficit of approximately $3-billion!

The budget must be balanced. We can take our choice—larger deficits with increased taxes or economy. There is no alternative.



"Smaller Than the Estimate"
—Bishop in St. Louis Star-Times.

Supreme Court Not at Fault for Poorly Drafted Measure

By Hon. Burton K. Wheeler
Senator from Montana

I knew about this proposal to increase the Supreme Court by six members **a year ago last January.** At that time a bill was brought to my office and I was asked to introduce it.

The bill then brought to my attention was not the identical bill now pending but one to increase the Supreme Court permanently to 15. I denounced it then as I am denouncing it now.

In all fairness to the Supreme Court—if much of our legislation had not been so hastily drafted, but **had been drafted and presented to the court properly, much of it would have been upheld by the Supreme Court.**

I think that we can do at the present time many of the things which the administration favors, if we will take a little more time and **prepare the proposed laws in accordance with the Constitution.**

The N. R. A. was such an act, hastily drawn. The man who first came to see me and asked me to vote for the N. R. A. was the head of one of the greatest industrial corporations of the country. I said to him that the N. R. A. was conceived by the United States chamber of commerce, which was never known for its liberal views, and brought to the Congress with the idea of heading off the six-hour day bill which the Senator (Black) from Alabama had introduced, and which probably was going to be passed.

I did not favor the N. R. A. because it created price fixing and permitted monopolistic practices. To the man who came to see me asking me to vote for the N. R. A. I said: "You want to get away from the Sherman anti-trust law?" He said: "Certainly. We go into a room and pull down the curtain and lock the doors. We agree upon the prices of these commodities, and then we no more than get outside the door than we begin cutting prices because we know that nothing can be done about it by reason of the Sherman anti-trust act."

Let us be honest with ourselves and with reference to these facts.

Final Source of All Power Is 'the People'

By Hon. Edward R. Burke
Senator from Nebraska

One hundred and sixty years ago a king, hated and distrusted, was indicted by a freedom-loving people through the pen of the immortal Jefferson in these words:

"He has made judges dependent on his will alone."

Today the descendants of those freemen are rising to challenge a president, beloved and honored, because of a heart-gripping fear that he is attempting to make judges dependent on his will alone.

There are certain fundamentals which we must always keep in mind. The first, upon which there is universal agreement, is that the ultimate repository of all power is in the people. For the common good some powers, not all, the people have surrendered to governing bodies. . . .

Because the president disapproves of certain decisions rendered by the court, which for 70 years has consisted of one chief justice and eight associates, he suggests, nay demands, that Congress authorize him to add six judges to the court. It is true that he did not at first predicate his startling proposal upon the premise that he wanted a court which would find some way to sanction the powers which he desires to exercise. But the record belies any other purpose, and it is now generally admitted that such is the fact. . . .

He has used the analogy of a three-horse team and directly charged that one horse, the Supreme Court, would not listen to the driver's commands, nor even respond to the whip, but insisted on lying down in the furrow.

He did not refer to the sixth sense so happily possessed by some members of the equine family, which has saved the lives of countless human beings by causing a horse to stop on the brink of a precipice and refuse to take one step farther to certain death for horse and rider alike—even if the rider were so foolish and blind as to sink the spur deep in the horse's hide.

Citizenship Extends Beyond Partisanship

By Patrick H. Drewry
Representative from Virginia

When members of the Congress of the United States, of equal dignity in our form of government, with the executive and the judiciary, and outstanding citizens of the country, who have the welfare of the nation at heart, are classed, because of their opposition to the Supreme Court legislation, as the "same elements of opposition" which, by inference, attempted to prevent beneficial movements for the care of the ill-nourished, ill-clad, and ill-housed, then protest must be made by those whose independence of thought and action is thus impugned.

This proposal is not and should not be made a subject of partisan debate. The issue goes too deep into the center of the system of the government of this country to become confused by partisans striving for political advantage. Every citizen, whether he be Democrat or Republican is concerned with a change in the administration of justice as between man and man in our courts.

New Court Won't Solve Real Problem

By Hon. Usher L. Burdick
Representative from North Dakota

"At the present moment, the annual interest on the public and private debt of the United States is $15-billion, and **more than the income of both farmer and laborer annually for the past five years!**

"If the Congress does permit the president to name six new judges of the Supreme Court who are known to be favorable to the "New Deal," (assuming that these judges will sustain these views just as the House of Representatives does today and suppose the program becomes a law); and the president does not drive the money changers out and assume control of the government's credit to be used for all the people and not for a few, **it will not make a particle of difference whether the Supreme Court is favorable or not.** This country will continue on down the line of depression until there is nothing left of it. The time has now come when the people cannot carry this interest burden, sucked out of their blood by a money-hungry oligarchy.

"The people now cannot pay their debts. The value of all our property in the United States, if it could be sold, would only pay 65 per cent of the debts we owe. Is not that enough evidence? Can you sustain this government with a dozen favorable Supreme Courts as long as you do not strike at the actual undermining influences at work in the destruction of the government and the people in it?

Shall Vote Result Alter Constitution?

By Hon. Rush D. Holt
Senator from Virginia

I do not subscribe to the theory that the Supreme Court can do no wrong. Nor do I subscribe to the theory that the president can do no wrong. Both have made mistakes, but "two wrongs cannot make a right."

Shall the Constitution be determined by election results? Shall if first be a Harding interpretation then a Hoover interpretation, then a Roosevelt interpretation, then an unknown interpretation?

Once a precedent has been established and the power set up, who knows who will be Mr. Roosevelt's successor? Would you want to turn over the same amount of power to Mr. John L. Lewis? George Washington said many years ago: "Precedents are dangerous things. Let the reigns of government then, be braced and held with a steady hand, and every violation of the Constitution be reprehended. If defective, let it be amended; but not suffered to be trampled upon while it has an existence."

Europe Groping in Fog of Uncertainty and Fear

Hesitating and groping their way through clouds of uncertainty, doubt and fear, the nations of Europe are each trying in their own way, to arrive at some definite notion of their own future intentions. Seven capitals—says the New York Times—in search of a policy.

The central problem of these European capitals is to make Europe work, as the alternative to a return to tribalism or a drift toward chaos. All impressions, conservations and observations, adds the Times, confirm ones worst suspicion: **the world is being led by leaders who don't know where they're going!**

The will of Mussolini is supreme in Italy, yet even his domestic policies are influenced by what some one else decides in Paris, London or Belgrade, the writer continues. After seeing an Italian policy diluted in Vienna and twisted in Berlin; watching Prague pulled three ways at once by Paris, Moscow and Berlin; observing Paris bending her course overnight in response to a word from London; finding London waiting nervously to adapt her own program to developments in France—all in the course of a month—it is all too evident **that there is no principle of action anywhere.** Every move is a reaction, an attempt to anticipate or block or counter some other move. No ruler knows where he is bound, because his direction is charted by some one else. All are trying to read the other fellow's compass—and there is no North Star.

Italians Long To Rest on Laurels

The Italians are disappointed not to be allowed to rest on their laurels. They are tired of tension. Wistfully they keep quoting Mussolini, as if to reassure themselves, that they are among the satisfied powers; they repeat that they have glory enough, territory enough to develop; they long to relax. Having enjoyed their day as lions, nothing appeals to them more at the moment than the chance to live a hundred years as sheep.

"Much as we try," Mussolini admitted once, comparing Italians with Germans, "we are not a warlike people." Perhaps that is why he works overtime to hold the war-like pitch, and why the nation murmurs as it realizes that this militant business of being a great power is always unfinished.

Mussolini faces what the Italian people discovered with dismay: Italy hasn't strength enough to rest on her strength. Rome has to score, if it can, by splashing the Italian boot about in the flux of lacing currents. By nature, as by habit and historic necessity, the boot is a pendulum. What Rome seeks is a policy whereby the rolling stone can gather moss.

The Austrian capital stands out among the seven, not because it is torn in two, for all the rest show open or covert signs of division, but because of an indifference that swallows up its difference. Dr. Schuschnigg is an honest man and a patriot who has the will but not the spark to light the embers of the Austria, that began to live in Dollfuss, against the borrowed fire that blows up the Nazis. Vienna has obvious alternatives: either to become a National Socialist state, more or less closely tied to Berlin, or to rally around the throne and live apart as a kingdom.

Germans Hint at Deal with Soviet

Berlin is a capital of a different order. The outlook of Rome, Vienna and Prague turns outward, but the eyes of Berlin are still turned inward, while the eyes of the outer world likewise remain focused on what happens inside the country.

By word, act and implication, Wilhelmstrasse sets forth its policy with less ambiguity than most governments. The first essential is to create a "monolithic nation," invincible, self-sufficient, one in thought. Admittedly the tempo of rearmament slows up a little, so that while others overarm, Germany may seize the opportunity to make export goods and fight for markets. Within the government itself strong opposition blocks putting up too many unprofitable raw material manufacture plants. But there is a speed-up in the process that matters most—the molding of the mind.

More and more the Nazi hate of Communism strikes one as the antagonism of a competitor in the same line. The likeness between the two systems grows as both evolve. So it does not sound fantastic as otherwise it might, to hear predictions—persistent in Berlin—that before long Germany and Russia will upset present calculations by returning to a commercial alliance.

Alone among the great capitals, the Belgian government is taking something like an independent line. As gently as possible, a divorcee who remains on friendly terms with her ex-partners, Brussels breaks the ties binding her to her old allies. The only reason she is allowed to do this is because Belgium does not matter very much.

French Fears Bolstered by Britain

The cement in France is fear. Sometimes, when immersed in the contrary currents pulling the nation apart, one wonders what would hold it together if angry Lefts and embittered Rights were not leagued in uneasy alliance by common distrust of Germany.

France is rich and economically well balanced. It is strongly fortified and well armed with what experts agree is still the best because the oldest and most experienced military force in Europe. Its present government represents as nearly as any composite can the sentiment of the majority, and its Premier Blum is stronger than his coalition.

Even his enemies speak of him as an "honest politician," and that, to the French, is almost a contradiction in terms. Under the fissures that cut so deep is something deeper still: the bedrock that is "France" to the most dissident Frenchmen and a necessity for liberty as vital as the need of air.

Paris is dependent on London today as never before since 1914, for the weakening of France, while it worries England, strengthens her in Europe and restores the British lead. Without a friendly Spain, which now means an unfriendly Italy and a new frontier to fortify, France's only power neighbor is Britain.

English Put Hope In America's Aid

What Paris is looking for, with painful intentness, is a clear line in British policy.

What London is looking for is a formula of international policy roughly comparable to the one working so successfully at home.

What this comfortable, sea-girt, stout old capital desires is half-lights, middle ways, compromise, a policy of change without violence, the forms intact while the revolution proceeds.

But when England looks abroad today her gaze is more on this side of the Atlantic than her own. Never did the mother country yearn so frankly for the support of the prodigal child. Never was the atmosphere so warm toward Americans, never were the common heritage and common democracy so stressed. The English take for granted that while we are actually as "isolationist" in policy as they long to be, in the last emergency we shall be found on their side.

Perhaps, if the danger were reversed, they would be ready to fight for American democracy, but the wildest flight of British imagination has never envisaged boatloads of Tommy Atkinses steaming to New York.

CARTOONS OF THE NEWS WEEK

WHITE HOUSE
THE OLD BOYS ARE NOT SUCH A HORSE AND BUGGY BUNCH AFTER ALL!
TVA
C.I.O. LEWIS
UNITED STATES SUPREME COURT UPHOLDS THE NATIONAL LABOR RELATIONS ACT BY A CLOSE 5 TO 4 DECISION

"Pennies From Heaven"
—*Norman in the Boston Post.*

"That's Been Tried by Experts"
—*Orr in the Chicago Tribune.*

The Republic Is Dangerously Ill

From the Chicago Tribune:

"The United States Supreme court stands today as the only defense against illegal seizures of power either in Washington or in the state capitols. The administration in Washington, which at other times would have protected representative institutions everywhere in the nation, now encourages the coups d'etat either by direct incitement or by inaction. That leaves the court as the last as well as the only organ of government able and willing to defend free representative institutions in the land. The administration is seeking to emasculate the court. If the effort succeeds there may remain no peaceful means of preserving the republic.

"The nation is closer today to civil strife and dissolution than it has been at any time since 1861. That is the state of the nation in the first week of spring, 1937."

Past Pictures in Contest Now Ready for You

Our files contain many letters from readers, written during the last four months, in which they express their intention of entering our "KNOW SOCIAL JUSTICE" Contest. With a full knowledge of the evils of procrastination we are now sounding the warning that the time to enter is growing mighty short.

Six weeks from today the great competition will be closed—and any chance to participate will have gone forever. We fear that many of our readers will not only feel they have missed out on a most excellent chance to absorb much social justice education, but they will also know their bid to win $2,500.00, as the Grand Prize, or one of the other 368 awards will have passed into the realm of "lost opportunities"

Free Question Folder

For the convenience of our readers who, for one reason or another, have withheld their entrance into the Contest we have prepared a handsome folder containing all 40 picture-questions which have been printed in the Contest up to date. This is perhaps the most educational piece of social justice literature ever prepared in that form. It costs nothing and is your **last avenue** of entrance into the Contest until the very last week.

There is an advantage in having this folder with all its 40 questions and complete suggested titles before you at one time. It enables you to take an hour or two off some evening soon and solve all the questions at once. It makes up for your procrastination in the past because, when you send back the large folder coupon showing your first 40 solutions, you are right up foot to foot with every person entered in the Contest.

Here's How to Get It

The folder is very easy to get. You need only to turn to today's contest (page 14). There you will find at the bottom of the page a "Past Pictures Coupon." If you will clip this, fill it out and mail it to our Contest Editor, the highly decorative folder will be in your hands within a day or two.

Don't let the opportunity pass to send for this Past Pictures Folder today. Why not do it this very minute while you have SOCIAL JUSTICE in your hand?

We See by the Papers

Stern Paper Blasts New Deal Diplomats

From the Philadelphia Record:

"The United States has two ambassadors-at-large sashaying about Europe at the present time.

"One is Norman H. Davis, "special agent" of the State Department; the other, Professor Oliver M. W. Sprague, "special agent" of the Treasury Department.

"Both are Tories. Both are long-time servants of the international bankers. Both have long been allied with the anti-New Deal forces of this country.

"AND BOTH HAVE BEEN ADVOCATES OF DRAGGING THE UNITED STATES BACK INTO THE CHAOS OF EUROPEAN AFFAIRS. . . .

"We have said before, and we say again:

"These men ought'n't to be 'at large.'

"Congress should make it its business to find out WHY they are 'at large'!

"What is Mr. Sprague's mission in his parleys with the international bankers he knows so well so very well?

"What is back of the rumors that Mr. Davis, and the foreign diplomats who have taken him in so brilliantly in the past, have fixed up another nice plan for America to assure the peace of the world?

"Whatever it is all about, the American people should know BEFORE they are dragged into it.

"When two of the most notorious leg-men of American reaction are representing the New Deal in Europe, it's time to cry:

"AMERICA, LOOK OUT!"

Minneapolis Tribune Commends Lemke

From the Minneapolis Tribune:

"The most trenchant comment on the supreme court decision upholding the Frazier-Lemke act was made by Representative Lemke himself . . . .

"Mr. Lemke, in short, suspects that the first act was declared unconstitutional because it was not drafted to conform with the Constitution. He felt certain that the second act would be approved because particular pains were taken, in the writing, to assure such conformance. He does not blame the umpire for the first decision because congress had neglected to observe the rules of the game; nor is he surprised by the second decision, for congress had profited by its experience and re-drafted the act in the light of its mistakes.

'Such a sportsmanlike attitude, on Mr. Lemke's part, is most refreshing. Instead of throwing brickbats at the umpire, which in this case is the supreme court, Mr. Lemke elects to believe that the fault lay initially with congress. Accordingly he suggests that a little more painstaking attention to the rules in congress would result in fewer violations, and consequently fewer invalidating decisions by the court.

"On the face of things, Mr. Lemke has hinted at a great and solemn truth. It may be added, incidentally, that he has advocated a course of action which seems slightly more sportsmanlike, when congress is called out for sloppy legislative base-running, than strangling the umpire."

Soviet Russia Sets 'Keynote' For Uncertainty in Europe

Every Nation Arms Against Red Menace

By Justin Soval

To those who think at all about the dangers inherent in the present international situation, its most terrorizing aspect is the growing evidence that nobody knows whither the policies of nations, great and small, are leading the world.

There is virtually no important phase of the relationships of nations that is clearly defined, either as to its present implication or future development.

The more one thinks of the positive chaos of international relations, the more bewildered and hopeless one becomes. Even great statesmen, should they exist and hold the controlling power in the key nations of the world, could be easily deceived by the uncertainty of the present and the unpredictability of the future.

Great-minded and peace-loving ministers and diplomats, should they suddenly gain the reins of affairs, might, with the best of intentions, cast the world into a devastating turmoil.

Perhaps the greatest contradiction in world diplomacy today is the attitude on war.

All Detest War

Great military leaders, prominent politicians, diplomats and students of world affairs are in agreement that no one gains by war. In fact, the overwhelming majority of thoughtful men, even the professional militarists, say that everyone stands to lose heavily by war.

The average citizen has only a dim and distorted idea of the losses sustained even by the "victor."

The monetary loss is, of course, obvious. But the loss occasioned by the disruption of peaceful commercial relations, the rupture for years of millions of homes, the brutalizing of the world's masses, the abrupt changing of a fundamental world sense of values, the cheapening of human life,—these and untold other losses have not and never will be computed.

One might hazard a guess that the last war cost the world anywhere from two to five thousand billions of dollars in the direct destruction of the produced and natural wealth which is essential to the peaceful progress of human culture and happiness.

War Loss Incalculable

The uses to which that vast store of the combined efforts of mankind might have been put for productive purposes would multiply the vast total by two or three times.

The product thus gained should be added to what the human race lost by just one war.

The spiritual and cultural losses, on the other hand, are fantastically inestimable. Certainly we may say that, basing the advancement of culture, civilization and religion—that might have obtained had the world not gone to war—on the energy and wealth expended on the war and its heartbreaking 20-year aftermath, the last great war set civilization back by at least a full century.

No one who thinks objectively denies these considerations. Yet the only clear-cut result of the world's greatest struggle is a combination of even more complex causes that may beget an even greater conflict.

Sane and serious men say that **civilization cannot stand the shock of another war on the scale of the World war.**

Whole World Arming

Now, the crushing consideration is that, in spite of all this positive knowledge, in spite of the fact that the sufferings of the world today are largely attributable to circumstances attendant upon or arising from the war, the great nations of the world are arming themselves in a way that makes the preparations for the World war look almost trivial.

That great contradiction challenges the sanity of mankind. It can be said with solid conviction that in sane and soberer days such policies on the part of governments, long before they reached their present critical stage, would have given rise, not to a new world war, but to widespread civil wars.

Two centuries ago, peoples did not follow tyrannical governments to destruction; they turned on tyrannical governments and destroyed the oppressors of the people. That is how democracy found its place in the world—**our republic was the highest and soundest expression of the revolt of the people against centralized and irresponsible authority.**

Today Russia, freed from the autocratic military regime of the Romanoffs, supports a royalty of dictatorship which founds its strength on a standing army far larger and far more terribly efficient than the army of any czar.

Chaos Traced to Russia

At the say-so of Stalin, millions of men will be called upon to lay down their lives for a regime that neither asks their approval or heeds their aspirations.

The gigantic military machine of Russia was forged and refined while the rest of the world was striving to limit armaments and provide a system to outlaw war. Still that Russian government proclaims itself to the credulous masses of the world as the great guardian of peace and the crusader for peaceful co-operation among the "democratic" nations of the world.

The hypocrisy of the Russian attitude is one of the major reasons for the chaotic condition of European diplomacy.

Germany would not be arming herself to the teeth, today, weakening herself as a commercial nation and, in fact, also weakening herself as a military power, were it not for the ever hostile military force on her eastern frontier.

Reds Are Common Foe

In turn, France and Great Britain would not be arming against Germany, under the pretext that she constitutes the greatest hazard to world peace, had not the intense national spirit of Germany been challenged by the militarism of Soviet Russia.

Probably the key to the chaotic condition of European relations is the destructive policies of Soviet Russia, which proclaims her right to maintain a powerful military organization against a hostile capitalistic world. Under the cloak of that self-righteous position, she abets the revolutionary elements in every other nation, hoping for the day when internal strife in nations like Germany, France, Italy or China, will provide a pretext for sending her military machine into other sovereignties to reap the spoiled fruit of revolution.

Thus we face a world condition in which every nation is either directly or indirectly forced to the level of the lowest member of the community of nations.

—*Newspicture by Acme.*

Caught equally with the groping nations of Europe, America does not know where it is going but "prepares" for eventualities. An army tank rolling past the nation's Capitol in the Army day demonstrations is aptly symbolic.

THIS WEEK IN THE WORLD

LONDON, ENGLAND.—Labor unrest is mounting in England. One major cause has been the charge that the government's 7½ billion rearmament program has resulted in no general wage increase. Laborers feel they should share in armament profits.

Under the present arrangement, the British government possesses no powers of direct compulsory arbitration, but in disputes over wages, hours and working conditions, the decision of government arbitrators are in most cases accepted. The government seeks to prevent strikes from ever starting. Conciliation offices are maintained in the principal industrial centers.

More extensive machinery is available if conciliation fails and a strike or lock-out impends. A permanent court of arbitration of three members, representing labor, employers and the government decides most cases.

In the most stubborn disputes, the Ministry of Labor appoints a court of inquiry, with or without the consent of the parties involved. The general public usually accepts its report and supports the side accepting the settlement suggested.

No Money, No Homes No Marriages

MILBORNE ST. ANDREW SCOTLAND.—A report from Dorset village states that the young men and women of that community are unable to get married for want of adequate houses. Numbers of young villagers would have married a year or two ago if there had been anywhere for them to live.

The only reason for this lack of adequate homes is not want of labor nor materials, but only money.

French "Humanize" Police Bullets

PARIS, FRANCE. — A revival of the sit-down strikes, this time 500 employes of theaters, movies and night clubs, has again disturbed Premier Leon Blum's coalition government. Both the Socialists and the General Confederation of Labor approved the premier's stand against a general stay-in strike of Paris theater employes. Union leaders said the strike was called because institution of the 40-hour week had resulted in heavy losses to theater employes.

The Paris police have been "humanized," although prepared for any trouble. However, after the recent left-wing demonstration in Clichy, France, where several were killed and hundreds injured, the Blum government came to the conclusion that tactics were too drastic in suppressing the rioting. Celluloid bullets are to replace lead. In addition to the celluloid bullets, which will "bite" but not penetrate, another tender weapon will be a spraying machine which marks an unruly person with chemical stains. These will remain for several weeks and the bearer can thus be marked for arrest or else hide with friends until such time as the marks disappear.

To top the climax, laughing gas will be used instead of teargas.

Man remains the strangest combination of all creation. He protects the weak in asylums and kills the strong in futile wars. Maybe he will 'humanize" war one of these days.

Chiang Kai-shek's Son "Key" in Plot

SHANGHAI, CHINA.—The return of Dictator Chiang Kai-shek's son, Chiang Chin-ko, from a ten years' stay in Russia and the formal ending of his quarrel with his father, may have far reaching political consequences. Japanese-inspired editorials go even further, alleging that the kidnapping of Chiang Kai-shek last December was deliberately engineered by the son to cause a subsequent reconciliation between the Chinese Communists and the government.

Certainly, any ambitious and brilliant student, the son of a dictator, who has spent 10 years under Soviet tutorship, has a background that will not go to waste. Chiang Chin-ko was reputedly active in Chinese affairs in the Soviet republic and is now a leading figure in the united Anti-Japanese Front now formed in China. Notorious Chinese reds, now in exile in America, Great Britain and France, will immediately return to China to personnel the drive.

Chiang Chin-ko is also behind the secret Chinese-Russia pact now in effect to offset the German-Japanese hookup.

New Canadian Test For Social Justice

EDMONTON, ALBERTA.—A new social credit act, preserving the main features on which Premier William Aberhart's administration was founded, was approved by the provincial legislature. It consolidates the principles of the existing Social Credit Measures Act. The new act provides for payment of a monthly consumers' dividend, the chief plank in the program of Aberhart's party when it won power in the election of 1935; issuance of Alberta credit certificates, which may be used for payment of debts and taxes; interest-free loans to industry and agriculture, and export subsidies. A commission of experts will administer the legislation.

The legislation was expected to adjourn until June 7 to give the commission time to start the necessary machinery of the new act.

A 60-day debt moratorium, proclaimed in February, was extended until the June session.

The Social Credit measure is an attempt to break away from the chains of the private international bankers and their usurious method of issuing money.

Van Zeeland Coming For U. S. Conference

BRUSSELS, BELGIUM.—Premier Paul van Zeeland, educated in America, is coming here to confer with President Roosevelt and Secretary Hull. The alleged reason is that the Belgian premier desires some pointers on world trade barriers. More likely, however, it is another preliminary to a world economic conference. The views of the German government are already known to Van Zeeland who recently had a long interview with Dr. Hjalmar Schacht. Van Zeeland's visit is only the preliminary to that of representatives of other world powers. **The sponsors are moving cautiously.**

Old Lady's Affairs Are Most Discreet in Threadneedle Street

Traditional British Reticence Crops Out Strongly in Their Money Changers

By the Financial Editor
of SOCIAL JUSTICE

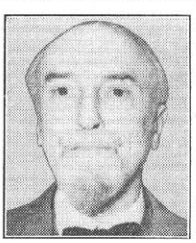
AS CLOSELY guarded in mysterious secrecy as the stock ownership of the Bank of England, disclosed in another column of SOCIAL JUSTICE today, are the respective holdings of the directors whose identities are revealed.

The only published information is that each must hold £3,000 of stock to qualify for a seat on the board. How deeply each is involved in the fortunes of the institution is a well preserved secret, as is the particular justification for their election.

Let us see just who, precisely, some of these distinguished and extremely powerful gentlemen are.

Meet Our Old Friend Mr. Montagu Norman!

Mr. Montagu Norman, who has come to be looked upon as the "permanent governor"—having held the post since 1920—has no directorships either in English banking or industry. At least, if he has, there is no record of them.



Mr. Norman comes of a wealthy old banking family, and presumably has other sources of income than his governor's salary and his qualifying holding of bank stock. What his total wealth is, we have no means of knowing. He may hold 50 per cent of the paid up capital of the Bank of England or he may not.

What we do know is that he was trained in, and was formerly a partner of, the private banking house of Brown, Shipley & Company, whose main operations are Anglo-American, in association with Brown Brothers, Harriman & Co., of New York, and which has played an important part in the financial exploitation of the South American countries.

Mr. Norman pays frequent visits to the United States. An almost historic occasion will be recalled when he travelled under the delightful incognito of "Professor Skinner." Then he stated, or caused to be stated on his behalf, that his business in America was purely private, and that he had dropped for the time being the onerous role of governor of Britain's economic destiny.

After Mr. Norman comes the deputy governor, Sir Ernest Musgrave Harvey. He is the one permanent full time official and his whole career has been spent in the service of the bank, whose staff he joined in 1885. He was comptroller from 1925 to 1928, when he was elected technical domestic expert of the board.

Sir Charles Addis Was A Tie-Up with China

Sir Charles Stewart Addis, a man of ability and much distinction, held the honorary though potent position of vice-chairman of the Bank for international settlements (when any). He became the British representative on the general council of the Reichsbank in 1924.

He continued for six years to assist the Germans in utilizing the vast sums of money poured selflessly into the stricken empire by British and American investors, on the advice of their national bankers, particularly with a view of repaying the British, American and other governments what was due to them on war debts and reparations.

Sir Charles retreated from these particular highlands of finance with the rest of the foreign representatives in 1930. Since then, the German credits have become frozen and the reparations and war debts remain unpaid.

Far Eastern shipping claimed part of Addis' time, through directorships of the P. & O. and the British India Steam Navigation Co., Ltd., and he had a whole collection of gilt-edged China through his connections with the powerful British and Chinese Corporation, the Chinese Central Railways, Ltd., and the Hong Kong & Shanghai Bank.

Powerful Factor In Foreign Policy Background

It can hardly be claimed that Sir Charles was a true representative of British Industry. The fortunes of the Chinese Central Railways, for example, often ran directly counter to it. Japan occupied Manchuria, and in the early summer of 1932 attempted a subsidiary movement through the occupation of Shanghai and the control of the Yangtsi valley. She was defeated by Chinese Nationalists. She could have been defeated more surely both here and in her northern operations had a resolute diplomatic front been presented by Great Britain and America. America was prepared for armed intervention. Great Britain was **persuaded to maintain a neutrality benevolently inclined towards Japan.** It was not altogether clear why the British Foreign Office should have adopted this policy.

I am concerned merely with suggesting the possible bias of an individual financier who happens, through his directorship of the Bank of England, to have considerable influence on British foreign policy.

Sir Alan Garrett Anderson is a director of the Suez Canal Company and of Anderson, Green & Co., Ltd., managers of the Orient Line, and was formerly president of the International Chamber of Shipping. He has been vice-president of the International Chamber of Commerce and on the board of the London, Midland and Scottish Railway.

Bank of England Directorate More International Than English

Analyzing the list of directors published by the Stock Exchange Year Book, it will be found that out of 26 directors of the Bank of England, including the governor, nine are associated with Anglo-Foreign merchants banks, and six with important foreign or international concerns.

Of the remaining 11, one is a permanent official; two are professional economist organizers and only eight are partners in British industrial companies. The British treasury is not representd on the directorate nor are any of the great English joint-stock banks.

Here is the (1932) Board:

The House of Rothschild—Exclusive gold agents.

Governor, the Rt. Hon. Montagu Collett Norman, D. S. O.

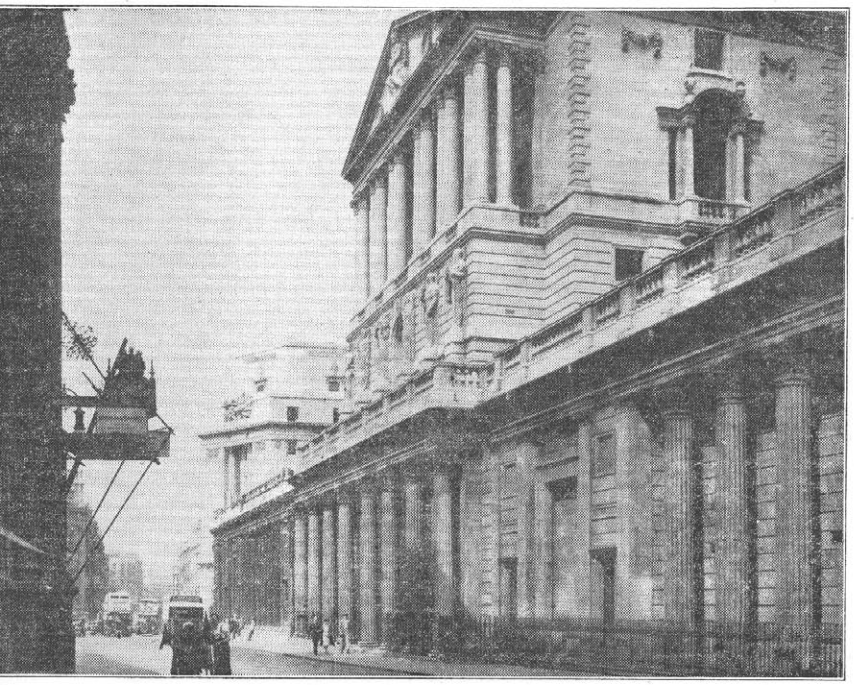
Deputy Governor, Sir Ernest Musgrave Harvey.

Directors:

Sir Charles Stewart Addis, K. C. M. G.*
Sir Alan Garrett Anderson.
Sir Basil P. Blackett, K. C. B., K. C. S. I.
George Macaulay Booth.
Lord Cullen of Ashbourne.
Sir Andrew Rae Duncan.
Arthur Charles Gladstone.
Kenneth Goschen.
Edward Charles Grenfell, M. P.
Charles Joselyn Hambro.
Col. Lionel Henry Hanbury.
Lord Hyndley.
Sir Robert M. Kindersley.
Captain the Hon. Roland Dudley Kitsen, D. S. O., M. C.
Cecil Lubbock.
Robert Lydston Newman.
Edward Robert Peacock.
Hon. Alexander Shaw.
Sir Josiah Stamp.
Frank Cyril Tiarks.
Henry Alexander Trotter.
Walter Kennedy Whigham.
Arthur Whitworth.

Robert Wallace. (An East India merchant, Wallace died during the year, his place being taken by William Henry Clegg.)

***Sir Charles Addis, who was past 70, did not seek re-election in 1933. His place was taken by Patrick Ashley Cooper, whose other directorships are as follows: Argentine Trans-Andine Railway Co., Ltd.; Beira Railway Co. Ltd.; Compania Hispano Americana de Electricidad, Primitiva Gas Co. of Buenos Aires, Ltd.; Province of Buenos Aires Waterworks Co., Ltd.; Rio de Janiero City Improvements Co., Ltd.; Hudson Bay Co., and the Northern Assurance Co., Ltd.**



Threadneedle Street, London, and the new Bank of England, affectionately known as the "Old Lady." "little bit of business here and a little bit of business there," the old lady's "window shopping" has made er queen of the world's finance. *Photograph by DeCou from Ewing Galloway, New York.*

ng Basil Blackett
nising Money Careerist

r Basil Blackett is one of the small band tstanding men whose brilliance, in the war years, laid them open to the temptation to forsake the traditions of the civil service, and commercialize their brains and experience by accepting lucrative posts in commerce and finance.

When the war came, he was a young man of 32 and already had been marked by his superiors in the Treasury for promotion. He was to America in 1915 as a member of the -French financial mission which was suc- l in raising a loan of no less than $500- n from the then very neutral United

hile there, he came under the notice of erpont Morgan, financial agent to the d States and British government. Morgan not but be impressed by the personal s of this fine young flower of England's l ruling class.

o years later Mr. Basil Blackett, as then went back to America in the supremely tant role at that time of representative e British Treasury. He so distinguished lf that, two years later, he was brought to become Controller of Finance to the ury. Not a bad record for 36! The knight- which he received in 1921, was fully d in the public service.

ckett left the Treasury for the City of n and before becoming a director of the of England was chairman of the Imperial national Communications, Ltd., the vast ss and cable combine which includes Mar- and the Eastern Telegraph Company. ne must not omit mention of his connec- with African Explosives and Industries, nd De Beers and other diamond mining sts.

s About South America,
Mr. George Macaulay Booth

s spectacular, though possibly more po- n terms of solid financial associations is George Macaulay Booth. Mr. Booth comes of a well-known shipping family and is on the board of the Booth Steamship Co., Ltd., but he is more than that.

He is associated with the famous firm of contracting engineers: J. G. White & Co., Ltd., **which has assisted materially in the development of backward nations fortunate enough to obtain the necessary loans from European and American financiers.** His closest affiliation is with the South American continent.

Here is a list of companies of which Booth is listed as director: Amazonas Engineering Co., Ltd., Manaos Harbour, Ltd., Manaos Tramways & Light Co., Ltd., Para Electric Railways & Lighting Co., Ltd., and the San Paulo (Brazilian) Railways Co., Ltd., which is the most important of them and has 6-million pounds sunk in it.

Lord Cullen of Ashbourne also has South American connections. When he was Sir Brien Cokayne, he preceded Mr. Montagu Norman as governor of the bank, which position he held from 1918 to 1920 and then elevated to the peerage on his retirement.

Lord Cullen has been a merchant banker all his life. But not with any British concern. The firm of which he is a partner is Anthony Gibbs & Sons, the Anglo-American house, which played an important part in financing South Amercian industries and marketing of South American commodities during the last 50 years.

Lord Cullen worked in their branches in Chile for 25 years, from 1883 to 1908, and gained expert knowledge of the great Chilean nitrate industry. What he thinks in his old age of the recent happenings east of the Andes, such as the catastrophic crash of Cosach, the nitrate combine, would be interesting to hear.

The British bankers' reluctance for publicity has communicated to their American colleague, Mr. Morgan, who doesn't care to be photographed. Here is his latest photo by Acme Newspictures as he himself arranged it.

Turkey Gladstone's Field: Goschen Is a "Big Shot"

Arthur Charles Gladstone is a director of the Ottoman Bank. He goes further into the Orient, but more imperially so, as a member of Ogilvy Gillanders & Co., the East India Merchants. His only home directorship is with the Northern Assurance Company.

In Kenneth Goschen, one meets the real international private banker. **He is a partner in Goschens & Cunliffe, one of the cornerstones of the hierarchy of finance. In the history of Anglo-foreign banking over the last century, the name of Goschen stands second only to that of Rothschild in fame and influence.**

The firm was originally Fruhling and Goschen and was founded, as one might think, to celebrate the Battle of Waterloo, in 1815, by Wilhelm Henrich Goschen, the son of a Leipzig publisher. Wilhelm, who had come to the City of London some years previously, was the father of the first Viscount Goschen (George Joachim), the great chancellor of the '80s.

In addition to the viscounty, the Goschen family has been given two baronetcies, and has so thoroughly intermarried with aristocratic English families that it has now long lost any distinctly foreign characteristics. The banking firm which bears its name, however, has not greatly changed its function of discounter of foreign bills and negotiator of international loans, even though its amalgamation in later years with the old English banking firm of Cunliffe's.

Though not the largest private bank in point of capital, it is the acme of internationalism in finance and, significantly, the name of Goschen has been associated with the Bank of England for nearly a hundred years. A Goschen first appeared on the directorate in 1839, the second in the line of being a first viscount.

> To a Goschen is attributed the following observation, which appeared in the London Times when Abraham Lincoln was struggling to thwart the vicious schemes of international bankers by setting up an honest money system as provided for in the Constitution of the United States:
>
> "If that mischievous financial policy, which had its origin in the North American Republic during the late war in that country, should become indurated down to a fixture, then that government will furnish its own money without cost. It will pay off its debts and be without a debt. It will have all the money necessary to carry on its commerce. **It will become prosperous beyond precedent in the history of the civilized governments of the world.** The brains and the wealth of all countries will go to North America. **That government must be destroyed or it will destroy every monarchy on the globe."**

"By Gosh!" Is Tribute To House of Goschen

A bank rate has not been decided, nor a big government loan floated in all these hundred years but what a Goschen has had a finger in the pie. The name is so greatly respected, in fact, around Lombard Street and Lothbury, (England's Wall Street and Banking Center) that when a city man is heard to utter the oath "By Gosh!" he means not "By God!" but "By Goschen!" who cuts more ice, as it were, in places where the Golden Calf is best preserved.

There is nothing ambiguous about the firm of Goschens & Cunliffe. **They are foreign bankers and call themselves nothing else.** The family has connections with the English joint-stock banks, naturally, and the present Viscount Goschen, a cousin of Mr. Kenneth Goschen, is on the board not only of such concerns as

(Continued on Page 15)

Our Animal Kingdom...

—*Drawn especially for* SOCIAL JUSTICE.

Plot to Pack U. S. Court Faces Fight in Committee

(Continued from Page 1)

senators who compose the committee.

As this is written, the box-score is 8 members for a quick favorable report, 8 against and 2 doubtful.

Plot on Court Long in Mind

The Supreme Court bomb which Mr. Roosevelt exploded had been fabricated as early as last May. Indeed, Senator Burton K. Wheeler of Montana has said that he refused to introduce such a bill when approached about it **a year ago last January!**

However, last May Brain Truster Tom Corcoran, who always refers to the president as "the Skipper," approached certain other Senators with the startling proposition. On the advice of Homer Cummings, Ben Cohan and Corcoran, Mr. Roosevelt decided to withhold the bomb for explosion **until after election.**

Those Senators and other public figures who had been calling Mr. Roosevelt a "dictator" previous to the election knew what they were talking about even though they appeared to be pronouncing an incredible statement.

Government Deficit Up $115-Million in Year

Total federal revenues for the first nine months of the current fiscal year, including net loan payments into the Treasury by the Commodity Credit Corp., Farm Credit Administration, P. W. A. and R. F. C., were:

$4,172,624,547.

Total revenues for the first nine months of the previous fiscal year, including the same items, were:

$3,412,922,790.

These figures show that there was an average increase of $84,411,306 per month in Treasury receipts and repayments as compared with the same period of last year.

Now, let's look at the debts.

Despite the tremendous increase in revenues, the final budget estimates show that the federal deficit, as of April 1, 1937, increased $115,762,291 over the deficit for the same nine months of the previous fiscal year.

The government increased its expenditures $97,273,783 for each calendar month as compared with each corresponding month a year ago.

That is the Roosevelt record. And he assumes to tell Congress to **balance the budget!**

Does this look anything like a balanced budget: Monthly income up $84-million; monthly outgo up $97-million; average monthly deficit up $13-million?

Mr. Morgenthau's famous "double bookkeeping" system is brought into play to mislead the public from a true conception of the budget situation, but even that cannot conceal the sordid picture in the following figures in the official Treasury statement for April 1, 1937:

Net increase in public debt July 1, 1936, to April 1, 1937	**$994,127,802**
Decrease in general fund balance for same period	**$861,544,961**

Adding the two together, the government deficit for the first nine months of this year is $1,855,672,763.

That represents an increase in the deficit of $115,762,291 over the corresponding period of last year.

Among the striking items of outlays by the federal government in the same nine months was an increase of $58,434,297 in interest on the public debt.

EYES *and* EARS

(Continued from Page 4)

issue of which they hadn't dreamed November 3, he should have no hesitancy in telling them flatly what it is that he is doing.

At least he should gravely consider that mandate-makers don't like to find themselves appearing ridiculous, as they surely will if there is a continuance of these contradictions in high places.

After all, the Constitution may be one thing, but the dignity of the American people is, beyond doubt, quite another.

Beloved politicians, prize-fighters, and movie actors may flout the recognized conventions of polite society—they may even kick holes through outmoded Constitutions—and the American people will condone, explain, actually applaud.

But even such darlings of "hoi polloi" abuse the dignity of the great Average Man at their peril.

* * *

We have, in the past, noted a progressive revolt within the ranks of the Roosevelt-ians against dictatorial control. We have mentioned, from time to time, that the insincerity and the high-handedness of the drive to turn the Supreme Court over to the president would offend good and powerful supporters of the president.

The latest evidence that we have a good nose for disintegration is found in the recent hot words of Congressman Hatton Sumners of Texas, chairman of the judiciary committee of the House and erstwhile loyal New Dealer.

Debating the highly emotional aspects of the Gavigan anti-lynching bill, which is supported gingerly by New Deal leaders, the head of the committee which will report on the president's Court Reorganization Bill cried out in sudden indignation:

"What I am afraid of is that in this whole country we have a chronic acute attack of Federalitis!"

For the benefit of those who are not familiar with the serious disease to which Mr. Sumners referred, it might be described as a concentration of power in Washington at the expense of the rights of the states. It might be added that its fatal character is owing chiefly to the rupturing of plain constitutional provisions and of the sacred agreement by which each state, sovereign in its own right, entered the Union.

What Mr. Sumners meant was that our government is rapidly becoming more and more like the governments of Germany, Russia or Italy—take your pick.

Of course, the Republicans have been saying the same thing a long time now—for political reasons; others have been saying the same thing—for patriotic reasons.

When Mr. Sumners, a highly respected member of Congress and a New Dealer, says it, it means something different. His is a diagnosis less open to suspicion or criticism.

Mr. Sumners has been pretty much on the inside of the New Deal. He is in a position to know what most of the rest of us millions can only deduce or suspect.

Coming from the inside, Mr. Sumners says that the New Deal is diseased and that it is infecting the whole country.

* * *

Federalitis, in a more advanced stage, was the contagion from which our forefathers fled and against which they built the bulwark of the Constitution.

Mr. Sumners, in a sentence, warns us against what Alexander Hamilton foresaw—even before the Constitution was adopted—when he said:

"A dangerous ambition more often lurks behind the specious mask of zeal for the rights of the people than under the forbidding appearance of zeal for the firmness and efficiency of government.

"History will teach us that the former has been found a much more certain road to the introduction of despotism than the latter, and that of those men who have overturned the liberties of republics, the greatest number have begun their career by paying an obsequious court to the people; commencing demagogues, and ending tyrants."

Budget Note StirsCongress

(Continued from Page 3)

the senator from Illinois declared on the floor:

"There should be one other source of taxation, if more tax is to be the order, to which, sir, I allude as I bring to a conclusion my observations addressed to the president as well as to this honorable body.

$35-Billions in Bonds Escape Taxation

"There must be found some legitimate method to meet government expenses without cutting down this government to the point where its essential needs are in no wise to be preserved.

"What is the meaning of this government sitting silently time by time and allowing more than $35-billion —realize the figures, eminent colleagues, $35 - billion — of bonds in the hands of their possessors to be exempted from any form of taxation, even to the extent of a penny, by the government which issues them?"

The contention that the president should have made recommendations in his message for new revenue sources was made by some congressmen, who said, in effect:

"He got the country into this mess by his "must" legislation. Let him devise a way to get us out."

It was Senator Lewis, again, who brought the issue to the floor.

"I call attention," declared the veteran Lewis, "to an omission in the message of our distinguished president which soonor or later must be requited and repaired. I observe that he has, perchance as a matter of defense to the Treasury, made no allusion to where this money shall come from that must necessarily bear the coming burdens and the present demands of government.

"The president must send another message, and it must be that which will point out the method of the collection of sums essential to carry on this government to its continuous satisfaction, contentment and prosperity."

Where Does C.I.O. Get Its Money?

Unions Take 2-Million in Yearly Dues

Where does the C. I. O. get its money and what becomes of it?

Has it the backing of Wall Street?

Let us look at the record:

In 1922, in the midst of a great strike, the treasury of the United Mine Workers of America ran dry. Funds were needed to furnish tents and supply food for the striking miners. John L. Lewis went down to Wall Street and borrowed $200,000 on an unsecured note. The note was signed by Mr. Lewis, William Green, then secretary-treasurer of the union, and Phillip H. Murray, the union vice-president. The lender was the Harriman National Bank, now defunct, known far and wide as a leading Wall Street bank. An officer of the bank later stated that the union **could have $5-million on the same basis if it wanted it.** While there was no collateral put up, the dues-revenue to be checked-off was regarded as ample security.

Communists Always Have Enough Money

Communists boring into the labor movement with their insidious propaganda to undermine our government, always seem to have ample funds for their purposes.

Back in 1924, Lewis, then president, submitted a report at the request of the late Senator Henry Cabot Lodge of Massachusetts. The report stated that the Herrin massacre of June 21, 1922, which cost the lives of 22 strike breakers, was engineered by Communist agents boring from within the miners' union.

"The Communist party of America," the report said, "was created for the purpose of taking possession of the United Mine Workers of America, the American Federation of Labor, and the labor unions of the country, and through them, overthrowing the government of the United States."

The Progressive Miners of Illinois threw Lewis out after he double-crossed them and because, instead of obtaining a raise for which they were entitled, he "bargained" with the Peabody Coal Company and Insull interests so that the miners went back to work at a cut in wages instead of an increase.

Foster Tells Plan To Overthrow U. S.

William Z. Foster, three times candidate for president and No. 1 man in the Communist party, testified before the Fish Congressional committee that the Communist aim in the United States was:

"To organize the workers to defend their interests under the capitalist system and eventually to abolish the capitalist system and to establish a workers' and farmers' government."

At the ninth national convention of the Communist party in New York last June, the resolutions contained the following.

"We must seek to isolate the reactionaries (in the auto and steel industries, etc.) who stand in the way of organizing the unorganized, demanding that the C. I. O. pass over from words to deeds, carrying on independent work of educating and mobilizing the masses for the realization of this aim; we must strive to win the craft unions for the policy of industrial unionism and for the support of the C. I. O."

Recently, George F. Addis, secretary-treasurer of the UAW, refused to disclose the exact income. However, he admitted they had a membership of 300,000, an increase of at least 260,000 since the present administration went into office. This would mean an income of $260,000 from initiation fees alone during the past year, since the international treasury received a dollar from each new member. The initiation fee in the local unions varies from $1 to $15, depending on "conditions."

Unions Take Two Million a Year!

In addition, the international receives 37½ cents per capita tax from the locals, monthly, except that members are not required to pay when they are unemployed, **although the back dues must be made up later.**

The per capita tax of 37½ cents on 300,000 members would amount to $112,500 a month for the international, if all members were employed. This would amount to $1,350,000 a year!

The local union retains 62½ cents out of every dollar on 300,000 members or $187,500 per month for the local, if all members were employed. This would amount to $2,250,000 a year! Quite a chest!

Mr. Lewis is supposed to receive no salary from the treasury of the UAW. However, in the published reports, at the time of the last United Mine Workers convention, Lewis was listed at $12,000 a year salary. It is assumed that he receives "expenses" in addition to this handsome salary from the miners.

No doubt, the salary is sufficient to enable him to build a beautiful home in Alexandria, West Virginia, to send his children to the finest schools in the country, as well as maintain a 12-cylinder Cadillac equipped with a chauffeur in whipcord.

We wonder if the men in the rank and file who receive the pittance of a nickle an hour increase are content for their leaders to bask in luxury.

No one is going to make us believe that this condition is any great remedy over the abuses of the old system of where the modern capitalist rides in luxury at the expense of his exploited employes. The union leaders are simply following the example of plutocratic wealth.

The rank and file still pay the tribute. Is it any wonder that the more intelligent of the union workmen have lost faith in John L. Lewis in view of his background?

Do they get a real accounting of what becomes of their money that is collected in the form of dues by means of the check-off system?

We repeat, what becomes of the money the workers' union dues so lavishly supply?

Canadian Mayor Reassures Strikers

Mayor Alexander Hall of Oshawa, Canada, addressing a crowd of General Motors strikers, assured them that if troops were brought into action to disperse the strikers, he "would be in their front rank to prevent any firing of machine guns." Premier Hepburn's adamant attitude in strike negotiations threw workers into an angry mood and delayed by weeks the final settlement. *—Acme newspicture.*

Labor Highlights

NEW YORK, N. Y.—Unionization of the American Telephone and Telegraph Company is the next objective of the C. I. O. The company employes some 270,000 workers, making it the nation's largest corporation, with assets of $4¼-billion. According to a committee spokesman, the United Electrical and Radio Workers of America, C. I. O. affiliate, is ready to charter eight American Telephone and Telegraph locals by May.

AKRON, OHIO.—The strike at the Firestone Tire and Rubber Company continues with a militant picket line still surrounding the plant.

NEW YORK, N. Y.—The Committee for Industrial Organization recently offered a guarantee against strikes during the life of a contract with the largest manufacturing concern in the textile industry: the Viscose Company, with 20,000 workers. If successful, the C. I. O. plans to tackle the duPont textile interests next, Sidney Hillman recently stated . . . The du Ponts have a total of about 25,000 employes in textile plants in New England, New York, Illinois, Ohio and Kentucky.

WASHINGTON, D. C.—Secretary Wallace made public an estimate that showed that 9,773,000 were jobless in the United States. This compared with 12,838,000 unemployed in 1933.

DETROIT, MICHIGAN—The latest device resorted to by the United Automobile Workers' union is the "slow-down" technique. This is to supersede the "sit-down," which has lost public support. Instead of dropping their tools, the men continue to work, but as the conveyer moves along they only do about one job in three, which necessitates slowing up the whole process.

NEW HAVEN, CONN.—James H. Rand, Jr. president of the Remington-Rand, Inc., and Pearl L. Berghoff, known as "king of the strikebreakers," were indicted by a federal grand jury recently on a charge of violating a federal statute during a strike at the company's Middletown plant. The federal act forbids the interstate transportation of persons to interfere with peaceful picketing or other lawful conduct of a strike. The strike was called at the Middletown plant last May, 1936, in sympathy with walkouts at the company plants in New York and Ohio. The charge was that strikebreakers were imported into Connecticut from the New York plant. The National Labor Relations Board described Rand's labor policy as "medieval" and ordered him to reinstate 4,000 workers.

Pacifist Perkins Would Resolve Green-Lewis Feud

It is one thing to conciliate differences between industrial and labor leaders. It's quite another to effect an accord between two hostile union heads. Secretary of Labor Perkins has discovered this in her efforts to bring William Green, A. F. L. president, and John L. Lewis, C. I. O. chief, together for a peace conference.

Miss Perkins has fond hopes of reconciling the two labor leaders as a sequel to her recent "good will" conference between union and industrial bigwigs in Washington.

Despite the ,undoubted influence her official position will bring on any endeavor to unite the forces of labor, the secretary has a much bigger job on her hands than she imagines.

Secret Parley Effort Fails

Mutual friends of Lewis and Green tried recently to bring the two together, but the plan flopped. Hatched in the greatest secrecy, so as not to compel the unions heads to give statements to the newspapers, the meeting was arranged in a Washington hotel.

Lewis showed up. Green, feeling that a chat with his rival would not be productive of any good to himself, and possibly fearing that the meeting might constitute a trap, failed to appear.

A follow-up attempt was made. Lewis again was willing, but Green remained obstinate in his refusal to participate in a conference.

Green knows that no rapprochement can be effected between the A. F. L. and the C. I. O. except under Lewis' own terms. In other words, the only way Lewis will come back into the Federation fold is as the top man.

Lewis Must Be Top Man, He Insists

Any agreement with the C. I. O. leader will have to be reached on the guarantee that all of Lewis' organized followers will be taken into the Federation as accredited members. If this were done Lewis would have sufficient numerical strength at the next Federation election to have himself elected as president.

Green and his advisers are not unmindful of the fact that the C. I. O. membership is composed largely of laborers who were not required to pay an initiation fee nor any dues for three months.

It is this "paper membership" that has built up the C. I. O. to its present large proportions.

To reinstate Lewis and his insurgent unions and let all the "deadhead" members vote would probably result in the ouster of top officials of the A. F. L.

That, anyhow, is the way the Federation's executive councilmen are reported to feel. You can't exactly blame them for remaining aloof from peace overtures.

Farmers Advised on Procedure Under Frazier-Lemke Moratorium

Outline Means Whereby Insolvent Farmers Can Prevent Property Loss

By William Lemke

Any farmer who is insolvent, or who is unable to meet his debts as they become due can take advantage of section 75 of the Bankruptcy Act, by filing a petition with the clerk of the United States district court of his district (or he may leave the petition with the conciliation commissioner of his county, if one has been appointed) praying for relief under section 75 of this act as amended.

When the farmer does this, he immediately subjects all of his property, wherever located, for all the purposes of this section, to the exclusive jurisdiction of the court, including all his real and personal property, or any equity or right in any such property of whatsoever nature.

The farmer must state in his petition that he is insolvent or unable to meet his debts as they mature, and that he desires to effect a composition or extension of time to pay his debts. He must file this proposal for composition and extension of time, together with a schedule of all his property and all his debts. If a majority of the creditors refuse to agree to the proposed composition or extension of time, then the farmer can amend his petition under subsection (s) of the act, asking to be adjudged a bankrupt.

Representative William Lemke of North Dakota co-author of the Frazier-Lemke moratorium act, explains the procedure to be followed by farmers wishing to take advantage of the act.

A farmer ought to be careful and **not submit any proposal for composition and extension of time that he knows or has reason to believe he cannot live up to. This act is intended to get the farmer out of debt and keep him out of debt.** He must not be too optimistic of his ability to pay but should reason it out carefully and make only such proposal for compensation and extension of time **the terms of which he knows he can meet.** Otherwise he is just postponing the evil day.

Farmer May Ask For Appraisal

The farmer may petition the court at the same time, or at the time of the first hearing, that all of his property, wherever located, (whether pledged, encumbered, or unencumbered) be appraised, and that his unencumbered exemptions, as prescribed by state law, be set aside to him, and that he be allowed to retain possession, under the supervision and control of the court, of any part or parcel or all of the remainder of his property, including his encumbered exemptions.

The farmer is required to complete a schedule of all of his property similar to that in a bankruptcy proceeding. He should do this at the very start when he makes his proposal for composition or extension of time. He should make enough copies of his schedule, so that he can change from conciliation to a petition in bankruptcy under subsection (s) of section 75 without having to go through the trouble or expense of making out new papers in case he cannot reach an agreement for composition and extension of time with his creditors.

Farmers Must Get Together

While the act contemplates that the Conciliation Commissioners shall assist the farmer in making out these papers, my advice is that the distressed farmers in every county **get together and organize and employ a competent attorney to attend to these matters for them. A farmer can no more act as his own lawyer than he can act as his own physician.** If proper steps are taken the farmers will now be able to protect their homes, their lands, and personal property, and get their indebtedness readjusted to the present value of their property and pay for same on or before the end of three years.

After the farmer's exemptions and his equity in exemptions have been set aside to him in accordance with the state laws, and after he has complied with the provisions of the Frazier-Lemke moratorium, then the United States district court must stay all judicial or official proceedings in any State or Federal court, or under the direction of any official, against the debtor or any of his property for a period of three years. During such three years the debtor will be permitted to retain possession of all or any part of his property in addition to his exemptions under the control of the court, provided he pays a reasonable rental semi-annually for the part of property of which he retains possession.

First Rental Due Within a Year

The first payment of such rental must be made within one year of the day of the order staying proceedings. The amount and kind of such rental must be the usual customary rental in the community where the property is located, based on the rental value, net income and earning capacity of the property. Such rental shall be paid into court to be used, first, for payment of taxes and upkeep of the property, and the remainder to be distributed among the creditors.

The court, in its direction, may order sold any exempt perishable property of the debtor, or any unexempt property not reasonably necessary for farming operations to be applied under provisions of the act.

Time Limit Is Three Years

At the end of three years or prior thereto, the debtor may pay into court the amount of the appraisal of the property of which he retains possession, including the amount of encumbrances on his exemptions up to the amount of the appraisal less the amount paid on principal. Upon request of any secured or unsecured creditor, or upon the request of the debtor, the court must order a reappraisal to establish the then present value of the debtor's property, provided that the creditors may request in writing that the value be established by sale at public auction. From such sale the farmer will have 90 days in which to redeem.

If the debtor at any time fails to comply with the provisions of this act or with any orders of the court made pursuant thereto, or commits waste, or is unable to refinance himself within three years, the court may order the appointment of a trustee and order the property sold. This act gives the farmer three years in which to refinance himself.

Procedure of a farmer under Frazier-Lemke Moratorium Act:

States in a petition that he cannot pay his debts, asks an extension, and petitions relief under section 75 of the Bankruptcy act. Also prepares a schedule of all his property and all his debts. Consults with an attorney when making out schedule and papers, and makes several copies of schedule.

Files petition and property schedule with the court clerk of the U. S. district court, or with the county conciliation commissioner. If creditors disagree to conciliation proposals, he changes to a petition in bankruptcy.

The court now must stay all official proceedings against the debtor or his property for three years.

During these three years, debtor retains possession and pays rent semi-annually to court for that privilege.

Rent is used to pay taxes and upkeep, remainder divided among creditors. First rent must be paid within a year from the day of the order to stay proceedings.

By the end of three years, the debtor should pay the court the money which is still owing, according to provisions made at staying of proceedings. If debtor cannot keep provisions, and has not acquired necessary amount in three years, court may order property to be sold.

The Frazier-Lemke Moratorium act provides a three years' breathing spell for the farmer in which he has a chance to redeem his property which legally would have been foreclosed at once.

This act, an amendment to the Bankruptcy act, is not to be confused with the Frazier-Lemke refinance bill, which would settle farm indebtedness once and for all, if passed by Congress.

Suggestions for Debtors Who Would Begin Anew

This act will save about 200,000 farm homes and 200,000 farm families from eviction.

But **DON'T** simply rest and be satisfied with a three year moratorium. **DO** start in today and save and accumulate and start anew, so that you will be ready to refinance your indebtedness in accordance with the provisions of this act at the end of three years. Otherwise you will be in three years, in the same position that you are now.

The farmers of every community, who are indebted, ought to get together and study their problems and take advantage of this law without hesitation or fear. This law is your law. Congress expects you to protect and save your home, but neither Congress nor any one else can help people who do not help themselves. Let us all co-operate and put agriculture on its feet again.

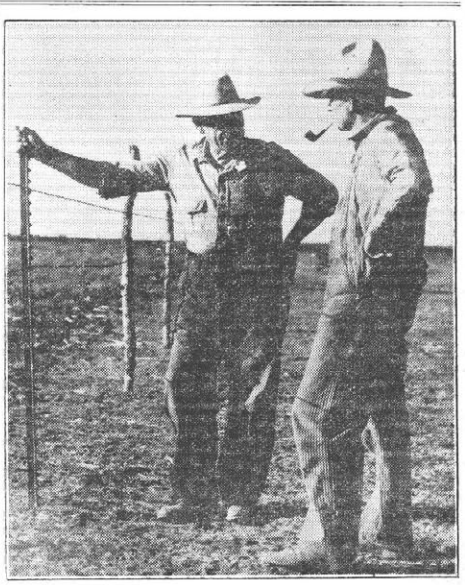
DON'T accept every proposition made by the creditors. They should be willing to scale down the farmer's debts to the reasonable value of his property at the present time, and give him sufficient time with a low enough rate of interest so that he will be able to meet the payments as they become due. The farmer is the best judge of his ability to pay. If his creditors are unreasonable, he does not have to accept their proposition, but can change his petition from conciliation into a petition of bankruptcy.

No creditor or set of creditors has a right to destroy society; has a right to destroy agriculture, the basic industry of this nation. This is a conservation act. Nobody will lose anything, it conserves property and values.

In order to get the benefits of this act **DO** file a petition with the conciliation commissioner (or the clerk of the United States district court if no commissioner has been appointed), and start the machinery going. **DON'T** sit idly by and wait until the property is sold. When they start foreclosing, the farmer should start a petition under the Frazier-Lemke moratorium.

DON'T delay. Delay is dangerous. Prompt action is necessary in many cases or title will pass. **DO** ask your Congressman for a copy of section 75 of the Bankruptcy Act, including subsection (s), the Frazier-Lemke moratorium. **DON'T** pay any attention to the street-corner adviser. **DO** work through your farm organizations and local attorneys.

DON'T expect your Congressman to take care of this matter for you. Members of Congress receive thousands of requests to act in individual cases for farmers, but this obviously is impossible, much as they would like to do it. Their time is occupied here at the nation's capitol. Their first duty is here. Farmers must learn how to co-operate and work together. They will find that in 90 cases out of a hundred their creditors will be reasonable and will co-operate and the court will take care of the other 10 per cent.



If proper steps are taken, distressed farmers, working together, will now be able to protect their homes, lands and personal property and get their indebtedness readjusted on or before the end of three years.

The People Speak . . . .

Nothing "Mystical" About Money Profit

To the Editor:

Do you really think that if Congress and governments in other countries, **knew how to regulate** the value of money, and **how to issue it safely**, that they would hesitate for a single moment to make use of this biggest power on earth or that they would be **fools enough** to delegate this power to somebody else?

For, handling this power successfully themselves, they could not only win the deepest gratitude and sincerest admiration of the whole nation, but could secure in gifts and donations from a grateful people vastly more than the small graft and bribes that today are being supposed to be their reward for relinquishing power to the international bankers. Not to mention, that the happy, prosperous and progressive conditions they would help to create would be the greatest reward in themselves.

No, let us be honest: Congress **does not know the answer** to these questions any more than does Father Coughlin, so why waste time nagging them on to do things that neither they nor apparently anybody else understands unless we can point out a better way than the mystical "index" method of Father Coughlin's "honest money," or the well meaning but vague generalities of papal encyclicals.

—**Mrs. M. Jessen.**

Milwaukee, Wis.

Contest Provides Real Education

To the Editor:

The SOCIAL JUSTICE contest is proving intensely interesting and is giving its participants a liberal education with a text book that is worth its weight in gold. My enthusiasm and admiration for Father Coughlin and his principles reaches a new high with each issue of SOCIAL JUSTICE.

—**Mary Howard.**

Chicago, Ill.

You Pay Your Dues, But—

To the Editor:

I just can't resist writing about this labor crisis. What I am going to write may not be good policy, coming from a laborer who has been in organized labor unions for 15 years, but it's the truth.

After these organizers organize a group of laborers, they receive their charter, and appoint local men for officers, but they themselves remain the real leaders.

The poor laboring man pays his initiation fee and dues. After about six months in the union, one of the leaders demands and gets an assessment from every member of the local, ranging from $2 to $20 per member. Some of the smarter members may ask what for; the leader will reply, "We must have money to organize other workers in other cities," and the workers are given a limited time to pay their assessments. The worker has no voice in the matter.

Many of the workers receive only $15 a week, and the union leaders talk about a union scale, but the only union scale is their salaries. **Talk about your high pressure, intimidation and coercion—they are in a class by themselves.**

—**R. Roberts.**

West Allis, Wis.

While We're Investigating

To the Editor:

As much as we would like to see a Congressional investigation of all the "isms" in the country, it certainly offers a laugh to hear Congressman Dickstein make a plea over the air against subversive groups in this country spreading the doctrine of Nazism and attempting to undermine our Constitution.

How about some of the Congressman's constituents in New York who have for years flouted the Constitution and waved the red flag in his face? There must be a reason why those fellows are not being investigated. Why? No patient can improve, nor can his doctor be acclaimed as a great public servant, unless he supplies the medicine that will rid the patient of all the poisons.

Investigations that will rid our land of Nazis will be of no value to us unless they also rid our land of Communists.

When Catholics were being slain in Mexico, Russia, Ireland and other lands, we did not have any investigations to place the blame and such assaults and persecutions went on unnoticed.

I wonder if Congressman Dickstein pays much attention to the Communists from Union Square who shipped arms and good American dollars belonging to labor unions, together with supposed hospital supplies, to the red junta in Madrid to help butcher the Catholics of Spain last year. Open recruiting and subscribing is going on day by day and what does the Congressman do about it? **A legislative committee appointed in New York State to investigate reds never called a meeting!**

—**John O'Hara.**

Bronx, N. Y.

Persecuted Jew Aids Persecutors

To the Editor:

It is truly amazing, when one considers how vituperative and vindictive one can be when another's welfare is being menaced.

The Jews, as a closely knit and absorption-defying people, have successfully maintained their identity and raised their standard of living in this country through the good offices of high-minded Christians. In America, their success at achieving a status of equality, their joy at escaping a hateful opprobrium, is unparalleled in their history. It seems, however, that all this has made them overbold and even arrogant in their attitude towards others.

Despite the anti-Nazi hysteria, comparatively few Jews have perished in Germany. True, many have suffered the hardships and privations resulting from racial discrimination and intolerance, but not many have died.

On the other hand, thousands of Christians have died horrible deaths in Spain, Mexico and Russia. Their homes and businesses have been destroyed outright, their churches pillaged and defiled. And now we find these same Jews, who cried "Wolf" so vociferously when their own interests were affected, actually aiding and abetting in the brutal destruction of Christians by lending their support to this anti-Christian movement.

One would think that tolerance would beget tolerance and that helping hands would reap the reward of their beneficence. But the Jew reciprocates by supporting organizations that are rabidly Communistic and dedicated to the destruction of Christians and churches.

—**Joseph L. Douglass.**

Brooklyn, N. Y.

We, Too, Would Like to See Them

To the Editor:

In the March 29 issue of SOCIAL JUSTICE, my fellow-Protestant of Buffalo, N. Y., writes "Perhaps we who are Protestants would like to hear from some of the brilliant Protestant minds, on the subject of social justice among the Protestants."

I, too, would like to read such an article from a brilliant Protestant mind and **do firmly believe that if such were sent to Father Coughlin, it would be printed.**

Until such time I will be obliged to thankfully take the kindly admonitions of him who lets his light so shine that he who runs may read.

—**George A. Ulmer.**

Fountain, Mich.

Over-Paid Labor Leaders Don't Deliver

To the Editor:

In regard to your article, "Voice of Labor or of Lewis?" in the April 5 issue of SOCIAL JUSTICE, may I simply ask these brave leaders of labor a few questions?

Are you labor leaders paid by the hour or do you receive a living annual wage or weekly salary, and how much?

Did you ever get caught without any meals and your wife and children without proper clothing or fuel?

Most certainly not, and as long as you remain a labor leader you never will. **Hardships are only for the members, who pay and pay with no satisfaction or benefit whatsoever.**

Is it not true that the Committee for Industrial Organization has already made a contribution of $441,000 to the presidential campaign of the Democratic party in the 1936 election, through Mr. John L. Lewis?

Why don't you labor leaders get together and ask the working people to sign a petition requesting legislation for a living annual wage?

Please lay off Father Coughlin. He would do more for us in five minutes than you labor leaders would do in five years. He doesn't even get a dime for the work he does, but you labor leaders get a good weekly salary for your pains, at the expense of the laborer.

I am a weaver in the cotton mills, weaving cotton cloth and operating 48 looms.

—**Alphonse S. Troia.**

Fall River, Mass.

Nepotism In F. C. A. Offices

Dear Father Coughlin:

I enjoy your paper very much and do not want to be without it. I want to add my approval of the article in your paper of February 22, "Farm Head Blasts Federal Lassitude in Loan Situation, Charges Wall Street Dominance."

It is my understanding that all over the country the Farm Credit Administration is a most pathetic evidence of mismanagement, injustices and cruelties, not only to the farmers, whom they are supposed to be organized to help, but the employes, who are subject to the most inhuman treatment unless they are related to some of the officers. I sincerely trust that Mr. Everson and his organizations will demand that some of the inefficient executives be retired to private life, which would be a big service to the United States.

I was an employe of the Minneapolis office from October, 1932, to October, 1936, and my work and ability to do it efficiently was never questioned. All my accounts were audited by the Washington office and during that period there was never a criticism, but I was obliged to give my place to a relative of one of the officers, who was not by virtue of seniority entitled to it.

—**Mabel McNulty.**

Minneapolis, Minn.

Too Much Power For One Man

To the Editor:

It is my opinion that it would be disastrous to give Roosevelt power over the Supreme Court. Is it advisable to give one man control of both the executive and the judicial branches of the government, knowing that the administration has in the last four years ignored the Constitution by denying Congress the right to coin money?

The president has had two opportunities to return this power to Congress, namely through the Frazier-Lemke Bill and now the Patman Bill.

How many of the voters last fall realized that the man in whom they placed so much confidence planned to usurp the powers of the Supreme Court?

—**Frank Heil.**

Meadville, Pa.

Writer Urges Contributions

To the Editor:

Having read SOCIAL JUSTICE since its founding, I have noticed many times various readers sharing their views on what each thought would be a fitting tribute to our good leader, Father Coughlin.

No doubt they all mean well, but I believe a better opportunity never existed than right now for all the readers of SOCIAL JUSTICE to do just what they have all wanted to do, and that is to make a substantial contribution.

I have a suggestion along that line to offer which I am sure most readers will agree would be well worthwhile and one that Father Coughlin would appreciate. That is that as many readers as can consistently do so shall enter the picture contest and divide their winnings with Father Coughlin.

T. J. Joyce.

Bureau, Ill.

Articles on Co-ops Enlist Reader Interest

Co-operatives Less Efficient

To the Editor:

Your headings rather encourage your clientelle to overwhelm you with essays—for or against—which may be what you want, to test out public thought on these subjects. If so, "What About the Co-Ops."

Personally, I see danger in this movement, in spite of the fact that I have been in close touch with it since I was 6 years old. My father used to say "Buy from a co-op but never sell to one!" However, the chief danger, as I see it, is that those people who catch the co-op fever think, fanatically, that the movement will be the salvation that leads them to Utopia. That might be a fact if the rest of us were able, by ourselves—without their help—to obtain 'debt-free money." We need their help, but after voluminous correspondence with the co-op leaders, I don't believe we will ever obtain it. "Who is not with me is against me," I am afraid.

A few years ago the buyer for the big English wholesale co-op visited Canada to purchase wheat. He met the seller for the Canadian wheat pool, and they could not agree on prices. So the buyer dickered around and bought his wheat cheap. Since then they have been reaching back for land to grow their own wheat.

As for efficiency, big American firms have no trouble in building alongside the best English co-ops and attracting the majority of their customers, and making millions. Personally, I doubt if anywhere can be found the equal to efficiency of American business.

The much tooted Sweden and Denmark co-ops were exploded in an article in London's Social Credit not long ago, which has been confirmed by two or three Swedes who have lately gone home and come back again — gladly — to the old U. S. A.

Take the good with the bad, including the injury to a great many honest retailers who have to live anyway and who take a personal pride in their service to their customers, paying plenty of taxes and contributing to charities, and consider also the duplication in effort in many producers' co-ops formerly well served by skillful buyers, and where are you?

—**H. C. B. Colville.**

Missoula, Mont.

Shop Men Form Credit Union

To the Editor:

I want to thank you for your expressions on co-operative buying in your paper.

We have established amongst ourselves in the factory, a so-called Federal Credit Union, for the purpose of loaning said savings to those in distress, on a basis regulated by a board of directors elected by ourselves, but with a determined and set rate not to exceed 1 per cent per annum, which of course cheats the loan shark of at least 2 per cent per annum and even greater.

We started the week before the flood in Cincinnati, around January 16, and on February 8, out of approximately 400 employes, we collected enough to pay initial bills and to make 16 loans, all flood sufferers in our own crowd.

—**Clarence Holthaus.**

Erlanger, Ky.

Groups Share Interest in Money

To the Editor:

The article on "Co-ops" in March 22nd issue was good. In the March 29th issue I was glad to find a quotation on the Golden Gate bridge from "Money," which I had previously read.

I believe co-operation between the various money groups would mean greater success. Most groups have one and the same great objective, to take money control from private hands. Why should we quarrel over the details? It is the politician's job to do that.

Thus, also, if we could unite with us the many who are fighting for "Co-ops," "Credit Unions," etc., our strength would increase considerably. **I fully agree with your stand that all reforms wait upon money reform.** But perhaps if we are more sympathetic towards other sound reformers, they might return this sympathetic feeling, and thus gradually see eye to eye with us on the money question.

—**B. Kunkel.**

Lively Grove, Ill.

If You Have Not Entered Contest Your Time For Action Is Today!

QUESTIONS FOR THIS WEEK

Picture No. 39

Picture No. 40

Make Your Selection by Number from the Following Lists:

1. Fiat money issued by private concerns.
2. Counterfeit money.
3. Federal Reserve notes.
4. United States Government bonds.
5. National Bank notes.
6. Notes of state banks not members of the Federal Reserve System.
7. Money issued by the United States Government.
8. Stock certificates sold by "green goods" men.

1. Appreciation of the currency.
2. Increasing wealth to a point of overproduction.
3. Decreasing wealth to a point of underproduction.
4. Increasing the volume of money to a point of overproduction.
5. Decreasing the volume of money to a point of underproduction.
6. Willful destruction of the currency.
7. Issuance of "greenbacks."
8. Skyrocketing of price levels.

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture. Write clearly the number in the little square.

No. 39 For Question No. 39 I Select Answer No..... ☐ No. 40 For Question No. 40 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS.....

TOWN OR CITY .....STATE.....

AN EXTRA COUPON FOR A FRIEND OR RELATION

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture. Write clearly the number in the little square.

No. 39 For Question No. 39 I Select Answer No..... ☐ No. 40 For Question No. 40 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS.....

TOWN OR CITY .....STATE.....

There is no time like the present for you to enter our "KNOW SOCIAL JUSTICE" Contest—and there isn't much of that left.

That sentence might seem to you a bit confusing. It merely means that—

THE CONTEST CLOSES IN SIX WEEKS!

Within that short period of time 368 readers of SOCIAL JUSTICE will have sent in complete sets of 50 solutions to 50 simple social justice questions, and these 368 sets of answers will make them winners of more than $7,000.00 worth of prizes.

YOU NOW READING THESE LINES CAN WIN THE GRAND PRIZE OF $2,500 IN CASH! You have a chance to win equal to that of any other contestant.

YOU CAN WIN THE SECOND PRIZE—$1,000 IN CASH PLUS YOUR CHOICE OF A FORD, PLYMOUTH OR CHEVROLET SEDAN!

YOU CAN WIN THE THIRD PRIZE OF $400.00 IN CASH PLUS YOUR CHOICE OF A FORD, PLYMOUTH OR CHEVROLET SEDAN.

There are 365 additional prizes, any one of which can be yours.

The way to enter before it is too late is as follows:

Use the Past Pictures Coupon below right now. Mail it in and receive back within a day or so ALL PICTURES AND QUESTIONS WHICH HAVE APPEARED IN THE GREAT CONTEST.

Do this—and you are in line for perhaps the greatest winning of your life.

Rules of Contest

1. Open to all readers of **SOCIAL JUSTICE**, except employees of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, December 21, 1936. Each picture contains a question concerning the principles of social justice laid down by Father Coughlin.
3. A Grand Prize of $2,500 will be awarded to the reader of **SOCIAL JUSTICE** returning the best or most appropriate answers to the questions appearing in all 50 pictures and otherwise complying with these rules. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly coupon. The remittance of 10 cents in coin each week is in payment for Father Coughlin's book, **"Money: Questions and Answers."** Purchase of this book is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for coupons arriving unduly late. By entering the contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties additional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do **NOT** decorate coupons. Neatness will not count.
8. Any inquiry the reply to which could not affect outcome of contest will be acknowledged.
9. A contestant may send in any number of sets of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set will be entitled to one book for each set submitted.

You Can Win If You Enter - Start Today

Grand Prize $2,500.00

SECOND PRIZE $1,000.00—And the Choice of Ford, Plymouth or Chevrolet Sedan.

THIRD PRIZE $400.00—And the Choice of a Ford, Plymouth or Chevrolet Sedan.

FOURTH PRIZE $100 — Four Prizes of $50.00 Each. 100 Prizes of $10.00 Each—260 Prizes of $5.00 Each

FREE — PAST PICTURES — FREE

"CONTEST EDITOR,"
SOCIAL JUSTICE,
ROYAL OAK, MICHIGAN.

I wish to enter the "KNOW SOCIAL JUSTICE" Contest at once and be on an even footing with all other contestants.

Please send me, free of charge, all Past Pictures which have appeared up to date.

Name .....

Address .....

City ..... State.....

Abraham Lincoln's Views on Money Are Still Sound

In a recently published volume, "Conquest of Poverty," G. G. McGeer, member of the Canadian parliament, presents, in the following detail, President Lincoln's monetary policy:

"Money is the creature of law and the creation of **the original issue of money should be maintained as an exclusive monopoly of the national government.**

"Money possesses no value to the state other than given to it by circulation.

"Capital has its proper place and is entitled to every protection.

"The wages of men should be recognized in the structure of and in the social order as more important than the wages of money.

"No duty is more imperative on the government than the duty it owes the people to furnish them with a sound and uniform currency, and of regulating the circulation of the medium of exchange so that labor will be protected from a vicious currency, and commerce will be facilitated by cheap and safe exchanges.

Pointed Out Need Of Money Control

"The available supply of gold and silver being wholly inadequate to permit the issuance of coins of intrinsic value, or paper currency convertible into coin in the volume required to serve the needs of the people, some other basis for the issue of currency must be developed, and some means other than that of convertibility into coin must be developed to prevent undue fluctuations in the value of paper currency or any other substitute for money of intrinsic value that may come into use.

"The monetary needs of increasing numbers of people advancing toward higher standards of living can and should be met by the government. Such needs can be served by issuing national currency and credit through the operation of a national banking system. The circulation of a medium of exchange issued and backed by the government can be properly regulated and redundancy of issue avoided by withdrawing from circulation such amounts as may be necessary by taxation, redeposit, and otherwise. Government alone has the power to regulate the currency and the credit of a nation.

"Government should stand behind its currency and credit and the bank deposits of the nation. **No individual should suffer a loss of money through depreciated or inflated currency or bank bankruptcy.**

"Government possessing the power to create and issue currency and credit as money and enjoying the right to withdraw both currency and credit from circulation by taxation and otherwise need not and should not borrow capital at interest as the means of financing government work and public enterprise.

Money Can Be Servant of People

"The government should create, issue, and circulate all the currency and credit needed to satisfy the spending power of the government and the buying power of consumers. **The privilege of creating and issuing money is not only the supreme prerogative of government, but it is the government's greatest creative opportunity.**

"By the adoption of these principles, the long-felt want for a uniform medium will be satisfied. The taxpayers will be saved immense sums in interest, discounts, and exchanges. The financing of all public enterprise, the maintenance of stable government and ordered progress, and the conduct of the Treasury will become matters of practical administration. The people can and will be furnished with a currency as safe as their own government. **Money will cease to be the master and become the servant of humanity.** Democracy will rise superior to the money power."

If You Live in Chicago

SOCIAL JUSTICE is no longer obtainable on many newsstands in the Chicago area. If your news dealer no longer carries the paper, extra copies of SOCIAL JUSTICE are always available from the individuals listed below.

Obviously, this can be only a partial listing of the enthusiastic and zealous friends of social justice who distribute the paper, but it has been compiled with a view to giving all sections of the metropolitan region **access to the most important information being distributed in America at this time.**

With each week **SOCIAL JUSTICE** becomes **too hot to handle** on Morgan-owned newsstands. The only way you can get it is by subscription or from individual dealers.

Charles J. Anderson, Jr.—1816 W. Monroe St.
Steven J. Bomba—6105 S. Kenneth Ave.
William Burke—214 N. Kildare Ave.
John Craven—745 W. 43rd Place.
Mr. Terence Devane—501 West 65th St.
Peter J. Eifel—5650 N. Ashland Ave.
Maxine Ruth Flick—3425 E. 106th St.
Joseph Gregg—137 So. Whipple St.
Lottie M. Kelly—221 Berwyn Ave.
Francis Lesley—5518 Kimbark Ave.
P. J. McGann—7545 So. Morgan St.
Edward A. Miller—4547 N. Paulina St.
William Mullin—7331 Yale Ave.
Emmett J. O'Keefe—6823 S. Aberdeen St.
Mrs. H. J. Patterson—4544 N. Western Ave.
Henry J. Poss—8105 Elizabeth St.
Mr. Edward Rogers—422 No. Leamington Ave.
Mr. A. Rones—3933 S. Talman Ave.
R. Rosner—1809 W. 63rd St.
Mr. Joseph Stankey—2812 N. Hamlin Ave.
T. J. Tschierse—7157 S. Rockwell St.
Karl E. Ufer—1809 Sedgwick St.
Henry M. Ward—6631 Ingleside Ave.

English Bank Keeps Owners' Names Secret

(Continued from Page 1)

investigator is blocked at every turn. There are no "files" of the Bank of England at Somerset House. Since it is not a limited company, but operates under Parliamentary charters, it has no registered offices and, therefore, no place where by law its accounts may be scrutinized.

Ownership Is Deep Secret

Inquiry at the bank itself has negative results, unless the inquirer has more than usual persistence. Then he will doubtless have the positive satisfaction of being ejected by minions in uniforms as impressive and official seeming as those garbing the posse from the Brigade of Guards which watches over the sterling virtues of the "Old Lady of Threadneedle Street" throughout the hours of night.

Here is a reply to a written inquiry:

"In reply to your recent letter I have to inform you as follows:

"(1) **The list of stockholders published by the Bank is for internal use and is available to Proprietors of Bank Stock only.**

"(2) The Bank have no statutes or Articles of Association, their constitution being based upon a Charter of 1694 and various Acts of Parliament, of which the chief is that of 1844.

"I may mention that a Statistical Summary, compiled by the Bank of England, has recently been made available at an inclusive charge of 12s per annum, payable in advance.

"Ronald Dale, Secretary."

All Information Closely Guarded

And that is as far as the Bank of England is prepared to assist those who may have the temerity to be interested in its affairs. The statistical summary, of course, confines itself mainly to the note issue and the bank reserves and this information is in any case published weekly in the "London Gazette." The summary gives away no secrets.

The bibliography of the bank is equally meagre and leads nowhere. A quite excellent orthodox history was published in 1908, but it revealed nothing of the vital secrets of the institution which would have a direct bearing on the financial debacle of the 1930's In fact, the only other book, both of which may be found at the British Museum, has an introduction written by Montagu Norman, so we may expect nothing enlightening from this.

The bank makes a point of publishing the names of the governor and the directors elected at the annual meeting. We must be grateful to them for the gesture. They are not bound to do so.

Read intelligently, the information is sufficiently illuminating. **It reveals that the Bank of England is dominated by men whose interests are not primarily British, but international.** Their main occupations are the financing of foreign states and distant enterprises and the earning of profits from monetary transactions which may easily be, and indeed often are, inimical to the economic health of England.

Searchlight on the Money Changers

WASHINGTON, D. C.—The government's working cash balance has dropped to $773,066,000, one of the lowest levels it has been permitted to reach since Secretary Morgenthau has headed the Treasury department.

Gold sterilization, which requires that gold be purchased with funds borrowed or collected by the Treasury, rather than with gold certificates issued against the metal, has been a principal cause for the drop in the cash balance to its new low. Note well that the gold must be purchased by "funds borrowed or collected by the Treasury." In other words, money that has been borrowed from the bankers at interest to be paid by the people or in money directly collected from the people by taxes. What a set-up!

To build up the cash balance, Secretary Morgenthau has started borrowing $50-million weekly on bill issues—at interest, of course. But even this method of borrowing from Paul to pay Peter is doomed to fail.

The Treasury department should either stop the present asinine gold sterilization device or else find other sources from which to borrow—already limited because borrowing is reaching the saturation point—or else **issue its own money, debt-free.** One word from the chief executive to the Congress would spur that body to pass the legislation.

How long will the present system of hocus-pocus borrowing, this mad house of cards, continue? A house divided against itself cannot stand. **Neither can a nation where the bankers are arrayed against the people.**

The per capita debt of the United States has increased from $12.48 in 1912 to $269.55 in 1937.

Broken down, it looks like this:

1912	$12.48
1916	11.96
1920 (following war)	228.32
1924	186.86
1928	146.69
1932	156.12
1936	265.06
1937	269.55

Between December 31, 1930, and the close of 1936, aggregate expenditures of the United States Treasury amounted to $39-billion. This exceeded total receipts in that period by $20½-billion, according to C. J. Devine & Company, Inc., specialists in United States government securities, in their 1937 year book, reviewing the financial activities of the federal government.

Send Bonds Abroad To Collect Gold

An example of how the private bankers get around the law was strikingly illustrated in a recent petition in federal court. Carleton S. Hadley, counsel for Trustee Henwood of the St. Louis Southwestern Railroad Company, stated that the Guarantee Trust Company (controlled by J. P. Morgan & Company) had sent bonds to Amsterdam, Holland, to demand payment in gold in accordance with the terms of the mortgage.

You remember, the Gold clause case of the Supreme Court which ruled by a majority that payment did not have to be made in gold. In other words, a $1,000 bond coming due—because of the increase in gold from $20.35 to $35 an ounce—was payable in $1,000 in money, not in gold. If the bond was payable in gold the holder would have received $1,690 for every $1,000 bond.

But the Guarantee Trust Company, and a few other bondholders of the inner circle, (the former, by the way, an affiliate of the Federal Reserve System), demand their full pound of flesh.

They don't care what the Supreme Court says. They want their full measure of gold. **So, they send their bonds over at the Amsterdam Dutch exchange to receive $1,690 for every $1,000** bond while the rest of the poor American investors accept the $1,000 in United States money.

It's easy when you know how, **but you gotta know how!**

Find Bank of England More International Than English

(Continued from Page 9)

the Bank of Roumania and the Ottoman Bank, but of the Westminster Bank. Still another Goschen was chairman last year of the National Provincial Bank.

To what extent the family is interested as stockholders in the Bank of England there is no means of discovering unless they or their friends choose to tell us, but the accepted belief in the City of London that the Goschens are one of the small hereditary circle which actually controls the Bank, deciding among other things who the remaining directors shall be, may be taken as well founded.

Grenfell, Hambro, Lazard Are Mighty Familiar Names

Of a similar aristocratic financial type to Mr. Goschen is Mr. Edward Charles Grenfell. Mr. Grenfell is closely connected with two peerages, Grenfell and Desborough, and is a cousin of the present holder of the latter title. Both his father and grandfather were bank directors, and Mr. Grenfell is senior partner of Morgan, Grenfell & Company, the Anglo-American private banking house affiliated to J. Pierpont Morgan & Co., of New York, agents to the United States Treasury, and to the British government in America.

The business section of the Grenfell family is connected with Grenfell Brothers & Co., Ltd., the investment company formerly known as the Canada Trust, and in the Trans-European Company, Ltd., which has Austrian representation on the board.

The international interests of the Hambro family are almost too well known for them to be emphasized. Mr. Charles Joselyn Hambro is a family nominee as a director of the Bank of England. Scandinavia is their principal field for foreign money business, but they have also operated extensively with Germany, and are directors of such concerns as the Danube Navigation Co., Ltd., the Hellenic & General Trust, Ltd., the Mid-European Corporation, Ltd., and the British & Continental Banking Co., Ltd.

Another big private bank, Lazard Brothers, Ltd., one of the few which happens to be a limited company and whose balance sheets are, therefore, open to public inspection, is represented by Sir Robert Kindersley. Lazard's was originally a French firm, but its business is no longer confined within Anglo-French limits.

Like most of the private banks, the firm has negotiated loans with a variety of countries, and is particularly interested in Austrian affairs. On the Austrian default, and the collapse of the Credit Anstalt, Sir Robert, chairman of Lazard's, visited Austria as representative of the British bondholders.

Barings Another Power In British Money Picture

We meet our first genuine British industrialist in Captain Roland Dudley Kitson, D. S. C., M. C. A son of Lord Airedale, Captain Kitson is a coal owner and director of several steel companies, including the Darlington Rolling Mills, and Dorman Long & Company, Ltd. His interests are predominately British.

To Mr. J. R. Jarvie, who several years ago authored an informative little book entitled, "The Old Lady Unveiled," SOCIAL JUSTICE is indebted for considerable of the revelatory biographical data in this article.

—EDITOR.

We need not be so interested in Mr. E. R. Peacock, who is a Canadian by birth though now a lieutenant of the City of London, as in the concern which he represents, Baring Brother & Co., Ltd. Baring Brothers are, like Lazard's, one of the few Anglo-foreign merchant banks trading as a limited liability company. The capital is 2-million pounds.

The Baring family has had a powerful influence on British finance for the best part of two centuries and has founded two peerages, Revelstoke and Northbrook. The present Lord Revelstoke, the third baron, is on the board of the company.

Originally the Barings were German, the first British ancestor being John Baring, the son of Franz Baring, minister of the Lutheran Church of Bremen. Baring Brothers have wide international interests, but have also been connected with the financing of Canadian enterprises. Mr. Peacock, it should be noted, is a director of the Canadian Pacific Railway and of the Hudson Bay Company of Canada.

Frank Cyril Tiarks represents J. Henry Schroder & Company. His father came to England from Hamburg and helped Baron Schroder to establish the success of the London branch of Schroder's, whose banking business was at first mainly Anglo-German. Now the operations of the firm are world-wide and extensive. They are almost as closely interested in South American loans as in European.

Mr. Tiarks is now managing director of the Anglo-Persian Oil Company and of San Paulo coffee estates. His son, H. F. Tiarks, is also on the board of Schroder's and is a director of the Angas Blancas Railway Co., the Antofagasta (Chile) & Bolivia Railway Co., and the Chilean Northern Railway Co.

The House of Rothschild, during the last century, was the greatest of all international private banks. Separate branches of the Rothschild family have controlled separate branches of the bank in various countries, but all have been closely linked up with modern banking. While they are not actually represented on the board of directors, they control all the gold of the Bank of England since 1925. They are the sole and exclusive agents for all gold that passes through the Bank of England. They may control besides several of the directors. Theirs is the "hidden hand" that backs up all transactions of the Bank of England.

No Recovery Without Financial Reform

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New Labor Relations Board Is a 'Joke' on U. S. Senators

Diplomatic Pat on the Back Gesture to Cover Up an Agent's Bungling

Sifted to the bottom, the "pat-on-the-back" episode involving Vice-President Garner and Senator Burton Wheeler is not so remarkable.

Garner is reported to have approached Wheeler, opposition key man in the court reform fight, patted him on the back, and then complimented him on the fight he was making against enlarging the court.

Observers immediately interpreted the incident as an indication that Garner was privately opposed to the proposals of his chief in the White House. They recalled that the vice-president has more than once expressed resentment against the brain-trusting visionaries who have surrounded him.

Actually, however, Garner was playing a part when he slapped the back of the Senator from Montana. Regardless of his occasional digs in the past at the New Deal set-up, it would be dangerous, from an administration standpoint, to put himself on record as against something President Roosevelt has placed at the top of the "must" list in Congress.

SOCIAL JUSTICE is not questioning Mr. Garner's right, as a friend of Mr. Wheeler, to be chummy with him. We only wish to avail our readers of the fact that the administration doesn't want to antagonize the Senator, fearing to strengthen his position, and that the vice-president was an excellent man to extend the olive branch.

Insiders say that the "pat" incident occurred shortly after Wheeler received a letter from a labor union official in Montana. The letter is reported to have informed Wheeler of administration efforts to have the union bring pressure on the Senator for his court views.

According to reports, the union official told Wheeler in his letter that a man representing himself as an agent of the New Deal administration had entered the headquarters of the union and requested that a letter be sent at once to the Senator demanding that he cease opposing the president's plan.

That "Great Mandate" Was a 6 - 4 Decision!

The New Deal has been placing great stress upon the alleged "mandate" given by the rank and file in the 1936 election. Actual tabulation results place the figures at approximately 60 per cent for the administration, 40 per cent against—or not even a two-thirds majority.

Since the framers of our Constitution, to protect minorities required a vote of two-thirds simply to adopt a piece of legislation, we question the logic which has interpreted a less than two-thirds popular vote as though it were unanimous.

Will that same logic (mis-)construe minority decisions by the "new" Supreme Court to determine the validity of future legislation?

Figures certified by election officials in every state now establish the final count in the last presidential election as 45,814,377 total votes. This is an all time "high" for voters' interest in who the next president should be.

The official apportionment of this total vote has been recorded as follows:

Roosevelt (Democrat)	27,752,309
Landon (Republican)	16,682,524
Lemke (Union Party)	892,793
Thomas (Socialist)	187,342
Browder (Communist)	80,096
Colvin (Prohibitionist)	37,609
Aiken (Social-Laborite)	12,793
Scattering and void	168,911

Picked Group, Now Powerful, Confirmed Without Debate

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—With the decision of the United States Supreme Court upholding the Wagner Act, the National Labor Relations Board has been confirmed in powers greater than those held by many another Washington bureau.

Along with this confirmation of powers created by the Wagner act came the discovery that the appointment of the board's personnel **was confirmed by the Senate without a hearing or debate!**

The answer is that none of the Senators thought the Wagner Act constitutional or that the board created under it would ever be of any importance. No one, therefore, paid any attention to the appoints and they were confirmed in a routine way back in August, 1935.

Everybody thought they'd be kicked out when the court overthrew the act. Even clerks, it is said, declined to take jobs with the board, or asked to be transferred to more permanent jobs.

It is difficult even now to learn how these men came to their powerful jobs. Secretary of Labor Frances Perkins is supposed to have dug them up with the help chiefly of her Wyzanski group in the Labor office and of Senator Wagner.

Board Chairman Madden, a former University of Pittsburgh law professor, is reputedly the nominee of Senator Guffey. Donald Wakefield Smith, a former Homestead steel worker, a second Pennsylvania appointee, is also a Guffey man, although reportedly put forward originally by Atty. Gen. Magiotti of Pennsylvania, an Earle adherent.

Edwin S. Smith, the third board member, was formerly personnel manager of the Edward A. Filene department store in Boston. He is a Harvard man (and a Frankfurter man) from Brookline, Mass., and his appointment is attributed in some quarters to Senator Walsh.

Labor leaders call the board "very fair"; employers say it is "packed for labor."

The powers conferred under the Wagner Labor Relations Act are the subject of considerable unnecessary confusion in the public mind. The act provided simply that "workers have a right to organize unions and bargain collectively with employers through chosen representatives." Employers are restrained from "interference with labor organizations.

Labor Relations Board Powerful Body

—*Wide World photo.*

With the Supreme Court's confirmation of the Wagner act, the Labor Relations Board becomes one of the most powerful agencies of the government. Chairman J. Warren Madden (center) is here shown with his associates, Donald Wakefield Smith (left) and Edwin M. Smith.

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